

**CARS ALLIANCE AUTO LOANS ITALY 2015 S.R.L.**

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

Increase for €722,013,807.46 of the principal amount of the  
Class A Asset Backed Fixed Rate Notes due 2031

*Issue Price: 100 per cent.*

This Prospectus contains information relating to the increase by Cars Alliance Auto Loans Italy 2015 S.r.l., a limited liability company with sole quotaholder organised under the laws of the Republic of Italy (the "**Issuer**"), for €722,013,807.46 of the principal amount of the € 1,357,400,000.00 Class A Asset Backed Fixed Rate Notes due 2031, as increased on 9 May 2018 (the "**Class A Notes**" or the "**Senior Notes**"). Simultaneously with the increase of the Senior Notes, the Issuer will also increase for €57,400,000.00 the principal amount of the € 291,500,000 Class J Asset Backed Variable Return Notes due 2031 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

The Notes have been issued on 23 July 2015 (the "**Issue Date**") with the following notional amounts:

- (i) Class A Notes: Euro 955,000,000; and
- (ii) Class J Notes: Euro 291,500,000.

On 9 May 2018 (the "**Increase Date**"), the notional amount of the Class A Notes have been increased for Euro 402,400,000. Simultaneously with the increase of the Senior Notes, on the Increase Date the Issuer have also partially early redeemed the Class J Notes for an amount equal to Euro 53,300,000.00.

On 8 March 2021 (the "**Restructuring Date**"), the Class A Notes and the Class J Notes will be increased of the following notional amount:

- (a) Class A Notes: Euro 477,400,000.00; and
- (b) Class J Notes: Euro 4,100,000.00,

and therefore, the aggregate notional amount of the Class A Notes and the Class J Notes will result as follows:

- (a) Class A Notes: Euro 1,834,800,000.00; and
- (b) Class J Notes: Euro 295,600,000.00.

Furthermore, on the Restructuring Date, the Final Maturity Date of the Notes will be extended up to the Payment Date falling in March 2038.

Therefore, on the Restructuring Date, the Notes will result as follows:

- (a) €1,834,800,000.00 Class A Asset Backed Fixed Rate Notes due 2038; and
- (b) €295,600,000.00 Class J Asset Backed Variable Return Notes due 2038.

**This Prospectus has been prepared and approved in connection with the increase of the Senior Notes as at the Restructuring Date.**

**The principal amount of the Senior Notes of € 722,013,807.46 is to be consolidated and form a single series with the Principal Amount Outstanding of € 1,112,786,192.54 of the Senior Notes as at the Restructuring Date. The Class A Notes Increased Principal Amount is equal to € 1,834,800,000.00.**

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

**The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with the provisions of Article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019.**

Application has been made to the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**") for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU. No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered nor admitted to trading on a regulated market pursuant to this Prospectus.

This **Prospectus** constitutes a "*Prospetto Informativo*" for both the Senior Notes and the Junior Notes for the purposes of Article 2, sub-section 3 of Italian law number 130 of 30 April 1999 a "*prospetto*" for the purposes of article 6.3 of the Prospectus Regulation and shall be valid for 12 months after its approval, provided that it is completed by supplements until the time when trading on the Luxembourg Stock Exchange's regulated market begins, in accordance with Article 23 of the Prospectus Regulation.

**The CSSF has neither reviewed nor approved any information in this Prospectus pertaining to the Junior Notes, as only the Senior Notes (as increased on the Restructuring Date) will be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.**

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of Loan Agreements entered into by RCI Banque S.A., Italian branch, as Originator, and the relevant Debtors, and purchased by the Issuer from the Originator pursuant to the Master Receivables Transfer Agreement. The Portfolio comprises (i) the Initial Portfolio, purchased by the Issuer on 13 July 2015; and (ii) the Additional Portfolios purchased and to be purchased from time to time pursuant to the Master Receivables Transfer Agreement during the Revolving Period, including the Increase Further Additional Portfolio purchased by the Issuer as of the Restructuring Date.

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

Interest on the Senior Notes will be payable by reference to successive Interest Periods. Interest on the Senior Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable monthly in arrears in Euro on each Payment Date. The rate of interest applicable to the Senior Notes for each Interest Period shall be the rate of 0.75%.

On or about the Restructuring Date, the Class A Notes are expected to be rated "AAA" by DBRS and "Aa3(st)" by Moody's. As of the date of this Prospectus, DBRS and Moody's are either established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and by Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013 (the "**EU CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, for the avoidance of doubt, such website does not constitute part of this Base Prospectus (the "**ESMA Website**").

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

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

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

The Notes are held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of the Financial Laws Consolidation Act and the regulation issued jointly by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* on 13 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, purchase and cancellation*)). Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes will be redeemed on the Final Maturity Date. Save as provided in the Conditions, the Notes of each Class will amortise on each Payment Date in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS Securitisation**") within the meaning of Article 18 of Regulation (EU) No. 2402 of 12 December 2017 (the "**Securitisation Regulation**"). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**") and will be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation (the "**STS Notification**").

The compliance of the Securitisation with the STS Requirements has been verified as of the Restructuring Date by Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation. **No assurance can be provided that the Securitisation described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. The STS Securitisation status of a transaction is not static and that investors should verify the current status of the Securitisation on ESMA website.**

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

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

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

*Arranger*  
**CRÉDIT AGRICOLE – CORPORATE AND INVESTMENT BANK**

## **Responsibility statements**

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

*The Issuer accepts responsibility for the information contained or incorporated by reference in this Prospectus. The information in respect of which each of RCI Banque S.A., Italian branch, Zenith Service S.p.A. and Crédit Agricole – Corporate and Investment Bank, Milan branch accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. 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 true and accurate in all material respects and is not misleading, 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.*

*RCI Banque S.A., Italian branch accepts responsibility for the information included in this Prospectus in the sections entitled "The Portfolio", "The Originator and the Servicer", "Credit and Collection Policy" and "Description of the Transaction Documents - The Servicing Agreement" and any other information contained in this Prospectus relating to itself, the Receivables and the Loan Agreements. To the best of the knowledge and belief of RCI Banque S.A., Italian branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

*Crédit Agricole – Corporate and Investment Bank, Milan branch accepts responsibility for the information included in this Prospectus in the section entitled "The Account Bank, Cash Manager and Principal Paying Agent". To the best of the knowledge and belief of Crédit Agricole – Corporate and Investment Bank, Milan branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

*Save as described under the section entitled "Subscription and Sale" and in the sections describing the Transaction Documents, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.*

## **Representations about the Senior Notes**

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Issuer, the Arranger, the Representative of the Noteholders, the Issuer, the Quotaholder, RCI Banque S.A., Italian branch (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a*

representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or RCI Banque S.A., Italian branch or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

### **Limited recourse**

The Notes constitute direct, secured, limited recourse obligations of the Issuer. By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flows deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Representative of the Noteholders, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Listing Agent, the Account Bank and the Cash Manager and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 6 (Priority of Payments).

### **Securitisation Regulation Risk retention**

RCI Banque S.A., Italian Branch, in its capacity as Originator, has undertaken under the Intercreditor Agreement that it will: (i) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; (ii) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; (iii) procure that any change to the manner in which such retained interest is held in accordance with paragraph (iii) above will be notified to the Computation Agent to be disclosed in the Transparency Investors Report; and (iv) comply with the disclosure obligations set out under article 7(1)(e)(iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, by providing the Computation Agent with the relevant information about the risk retained to be disclosed in the Transparency Investors Report, in each case provided that the Originator will be only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the relevant Regulatory Technical Standards are applicable to the Securitisation.

### **Selling Restrictions**

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

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

The Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other

information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "Subscription, Sale and Selling Restrictions" below.

### **Volcker Rule**

The Issuer will be relying on an exclusion or exemption from the definition of "Investment Company" under the Investment Company Act contained in Section 3(c)(1) of the Investment Company Act, although there may be additional statutory or regulatory exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule".

### **U.S. Risk Retention Rules**

The Securitisation will not involve risk retention by the Originator for the purposes of the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**") and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. The Originator intends to rely on an exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules (the "**Risk Retention U.S. Persons**"). 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" in Regulation S. The Notes may not be purchased by any person who is a Risk Retention U.S. Person. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person, (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 10 of the U.S. Risk Retention Rules).

### **PRIPs / EEA Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, "**MIFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

### **PRIPs / UK Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of

Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **MIFID II product governance / Professional investors and ECPs only target market**

Solely for the purposes of the first distributor's product approval process under MIFID II, 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 under 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 first distributor's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the first distributor's target market assessment) and determining appropriate distribution channels.

### **Interpretation**

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

All references in this Prospectus to "**Italy**" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; references to "**billions**" are to thousands of millions; references to "Euro", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended and integrated from time to time.

### **Forward-Looking Statements**

This Prospectus contains statements that constitute forward-looking statements. Words such as "believes", "anticipates", "expects", "estimates", "intends", "plans", "will", "may", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

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

*no assurance can be given that any of the historical information, trends or practices mentioned and described in the Prospectus are indicative of future results or events.*

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

## INDEX

| Section   | Page |
|---|------|
| RISK FACTORS.....   | 9    |
| TRANSACTION DIAGRAM .....   | 34   |
| TRANSACTION OVERVIEW .....  | 35   |
| THE PORTFOLIO.....  | 70   |
| EXPECTED MATURITY AND AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS.....                                      | 78   |
| THE ORIGINATOR AND THE SERVICER .....   | 79   |
| THE CORPORATE SERVICER, THE MASTER SERVICER, THE CALCULATION AGENT AND THE REPRESENTATIVE OF THE NOTEHOLDERS..... | 94   |
| THE ACCOUNT BANK, THE CASH MANAGER AND THE PRINCIPAL PAYING AGENT .....   | 95   |
| CREDIT AND COLLECTION POLICY.....   | 96   |
| THE ISSUER.....   | 115  |
| USE OF PROCEEDS .....   | 118  |
| THE ACCOUNTS .....  | 119  |
| RISK RETENTION REQUIREMENTS.....  | 121  |
| TRANSPARENCY REQUIREMENTS.....  | 122  |
| COMPLIANCE WITH STS REQUIREMENTS .....  | 126  |
| DESCRIPTION OF THE TRANSACTION DOCUMENTS .....  | 127  |
| TERMS AND CONDITIONS OF THE SENIOR NOTES.....   | 144  |
| SELECTED ASPECTS OF ITALIAN LAW .....   | 215  |
| TAXATION .....  | 221  |
| SUBSCRIPTION, SALE AND SELLING RESTRICTIONS .....   | 229  |
| GENERAL INFORMATION.....  | 233  |
| DOCUMENTS INCORPORATED BY REFERENCE.....  | 236  |
| GLOSSARY .....  | 238  |

## 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 risks associated with the Senior Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Senior Notes, but the inability of the Issuer to pay interest or repay principal on the Senior 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 Senior Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Senior Notes of interest or principal on such Senior Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.*

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

### A. RISK FACTORS RELATED TO THE SENIOR NOTES

| Category  | Page(s) |
|---|---------|
| 1. Risks relating to the Senior Notes and the structure of the Securitisation | 9 – 14  |
| 2. Risks relating to the underlying assets                                    | 14 – 17 |
| 3. Legal and regulatory risks   | 17 – 28 |
| 4. Macro-economic and market risks  | 28 – 29 |
| 5. Risks associated with taxation in respect of the Notes                     | 29      |

### B. RISK FACTORS RELATED TO THE ISSUER

| Category  | Page(s) |
|---|---------|
| 1. Credit risks   | 29 – 30 |
| 2. Risks relating to the Issuer being a special purpose vehicle | 30 – 32 |
| 3. Risks associated with taxation in respect of the Issuer      | 32 – 33 |

### A. RISK FACTORS RELATED TO THE SENIOR NOTES

#### A.1 Risks relating to the Senior Notes and the structure of the Securitisation

##### Limited recourse nature of the Notes and source of payments to the Noteholders

The Notes are asset-backed securities issued by the Issuer pursuant to the Securitisation Law and backed exclusively by the Receivables deriving from the Loans which will be comprised in the Aggregate Portfolio. For further details on the Receivables, the relevant Loans and Debtors, please see the section entitled "*The Portfolio*" below.

As such, the Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, the Master Servicer, the Calculation Agent, the Account Bank, the

Principal Paying Agent, the Listing Agent, the Corporate Servicer, the Cash Manager, the Arranger, the Quotaholder, the Quotaholder Corporate Servicer or any other party to the Transaction Documents (other than the Issuer). None of any such persons, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Restructuring Date have any significant assets to be used for making payments under the Notes other than the Receivables comprised in the Portfolio and its rights under the Transaction Documents to which it is a party.

Consequently, there is a risk that, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest on the Notes or to repay the Notes in full. In particular, if there are not sufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights.

### **Investment in the Senior Notes may not be suitable for all investors**

Structured securities, such as the Senior Notes, are sophisticated financial instruments, which can involve a significant degree of risk. If an investor does not properly assess the nature of the Senior Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses.

Prospective investors in the Senior Notes should ensure that they understand the nature of such Notes and the extent of their exposure to the relevant risks. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Senior Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition.

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

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

### **Yield to maturity on the Senior Notes is influenced by various factors**

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection, operation and restructuring of and other recoveries on the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Portfolio and the weighted average life of the Notes. The weighted average life of the Senior Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent.

Therefore, no assurance can be given as to the yield to maturity which will be experienced by a purchaser of the Senior Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

### **Expected maturity date of the Senior Notes**

In accordance with the mandatory redemption provisions applicable to the Notes, if there are sufficient Issuer Available Funds, full redemption of the Senior Notes is expected to be achieved on the Payment Date falling in March 2038. In particular, the redemption in full of the Senior Notes may be achieved prior to such Payment Date as a result of the occurrence of circumstances in which the Loan Agreements may be terminated (by prepayment, early termination or otherwise) prior to their scheduled redemption dates.

Perspective investors should consider that they generally would not be able to reinvest the settlement proceeds (if any) at an effective interest rate as high as the remuneration rate on the Senior Notes being redeemed, and may only be able to do so at a lower rate. As a consequence the investors may lose some or all of their investment. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, there can be no assurance that redemption in full, or at all, of the Senior Notes will be achieved on any such prior Payment Date. In this respect, please see "*Limited recourse nature of the Notes and source of payments to the Noteholders*" above.

### **Subordination**

In respect of the obligation of the Issuer to pay interest and to repay principal on the Notes, the Conditions provide that: (i) the Class A Notes will rank *pari passu* and *pro-rata* without any preference or priority among themselves for all purposes, but in priority to the Class J Notes; and (ii) the Class J Notes will rank *pari passu* and *pro-rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

To the extent that any losses are suffered by any of the Noteholders, such losses will be borne (i) by the holders of the Class J Notes while they remain outstanding, (ii) thereafter, by the holders of the Class A Notes while they remain outstanding.

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

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

### **Limited nature of credit ratings assigned to the Senior Notes**

The credit ratings assigned to the Senior Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Senior Notes and the underlying Receivables, the credit quality of such receivables, the extent to which the Debtor's payments thereunder are adequate to make the payments required under the Senior Notes, as well as other relevant features of the structure of the Securitisation, including the credit situation of certain parties involved in the Securitisation. The Rating Agencies' ratings reflect only the view of such Rating Agencies. The credit ratings assigned to the Senior Notes reflects the Rating Agencies' assessment only in relation to a likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Maturity Date, not that such payments will be paid when expected or scheduled. These ratings are based, among other things, on

the Rating Agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolios and the availability of credit enhancement.

It is not certain whether the Receivables and/or the Senior Notes will perform as expected or whether the ratings assigned to them will be reduced, withdrawn or qualified in the future as a result of a change of circumstances, deterioration in the performance of the Receivables, errors in analysis or otherwise. None of the Originator, the Arranger or any other party will be obliged to replace or supplement any credit enhancement or to take other action to maintain the ratings of the Senior Notes.

A change in rating methodology or future events, including events affecting certain parties involved in the Securitisation, such as the Servicer or the Account Bank, could also have an adverse effect on the rating of the Senior Notes.

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

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

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

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

#### **Assignment of unsolicited ratings may affect the market value of the Senior Notes**

The Issuer has not requested a rating of the Senior Notes by any rating agency other than the Rating Agencies.

However, credit rating agencies other than the Rating Agencies could seek to rate the Senior Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Senior Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

#### **Issuer's ability to meet its obligations under the Senior Notes is dependent on the performance of the Servicer and the other parties to the Transaction Documents**

The ability of the Issuer to pay the interests and repay the principal on the Senior Notes will depend to a significant extent upon due performance by the Servicer and the other parties to the Transaction Documents of their respective obligations under such Transaction Documents. Consequently, there is no assurance that, over the life of the Senior Notes (whether on the relevant Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Senior Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Portfolio, (ii) the amounts standing to the credit of the Reserve Account; and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to the Defaulted Receivables (if any). The performance by such parties of their respective obligations under the Transaction Documents is dependent on the solvency of each relevant party.

Furthermore, with respect to the Servicer, it is not certain that a suitable alternative servicer could be found to service the Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer is found it is not certain whether such alternative servicer would service the Portfolio on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the Issuer to make payments related to the Notes. The ability of an alternative servicer to fully perform its duties would depend on the information and records made available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the relevant Servicer.

### **Risks relating to certain potential conflict of interests**

Conflict of interests 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) RCI Banque Italy will act as Originator, Servicer, Loan Provider, and Initial Junior Noteholder; (ii) Zenith will act as Master Servicer, Calculation Agent, Corporate Servicer and Representative of the Noteholders (iii) CA-CIB will act as Account Bank, Cash Manager and Principal Paying Agent.

In addition, the Servicer may hold and/or service receivables arising from loans other than those relating to the Receivables. Even though under the Servicing Agreement the 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.

Conflict of interests may influence the performance by the transaction parties of their obligations under the Transaction Documents and ultimately affect the interests of the Senior Noteholders.

### **Risk relating to projections, forecast and estimates**

Estimates of the expected maturity and expected average lives of the Senior Notes included herein, together with any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Prospective investors are cautioned not to place undue reliance on these forward-looking statements, as they speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

**There is no assurance that Senior Notes will be recognised as eligible collateral for ECB liquidity and/or open market transactions**

After the Restructuring Date, an application may be made to a central bank in the Eurozone to record the Senior Notes (as increased on the Restructuring Date) as eligible collateral, within the meaning of the Guideline (EU) 2015/510 of the European Central Bank ("**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy, as subsequently amended, supplemented and replaced from time to time (the "**ECB Guidelines**"), for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with the ECB Guidelines and the ECB's and central banks' policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Senior Notes for the above purpose prior to their listing and if the Senior Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Senior Notes at any time. The assessment and/or decision as to whether the Senior Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank. Therefore, none of the Issuer, the Originator, the Arranger or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Senior Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Senior Notes at any time.

## **A.2. Risks relating to the underlying assets**

### **Loans' performance has an impact on the Issuer's ability to service payments on the Senior Notes**

General economic conditions and other factors may affect the ability of the Debtors and/or the Dealers to pay the amounts due in respect of the Loans.

The Portfolio is exclusively comprised of Loans which were/are "performing" as at the relevant Valuation Date (see "*The Portfolio*"). However, there can be no guarantee that (i) the Debtors will continue to perform under the Loans; or (ii) the Dealers will continue to perform their obligations under the Loan Agreements.

The recovery of overdue amounts in respect of the Loans will be affected by the length of enforcement proceedings in respect of the Loans, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken. Factors which can have a significant effect on the length of the proceedings include the following: (i) certain courts may take longer than the national average to enforce the Loans and (ii) more time will be required for the proceedings if it is necessary first to obtain a payment injunction (*decreto ingiuntivo*) or if the Debtor or any Dealer raises a defence or counterclaim to the proceedings.

### **Risk relating to the Balloon Loans**

Under the Originator's standard terms and conditions, a Loan may be structured as a loan amortising on the basis of fixed monthly Instalments of equal amounts throughout the term of the Loan, up to and including the relevant maturity, or as a Loan with "balloon" payment, amortising on the basis of equal monthly Instalments, but with a significant portion of the outstanding principal under the Loan being repaid in a single "bullet" payment at maturity.

In relation to Loan with "balloon" payment, the relevant Borrower has the following options at maturity, in accordance with the relevant Loan Agreement: (a) to pay the final Instalment to the Originator; (b) to transfer back the relevant used vehicle to the Dealer (subject to the fulfilment of the conditions set forth in the relevant Loan Agreement) with the possibility to purchase a new vehicle – in this case, the Dealer has the obligation to pay the final Instalment to the Originator; or (c) to agree a rescheduling of the payment of the final Instalment with the Originator up to a maximum period of three years.

In order to mitigate the risk of non-payment by the Dealer in the circumstance under option (b) above, under the relevant Loan Agreement, each relevant Debtor has undertaken to pay the final Instalment also in the event of default or bankruptcy of the Dealer. For further information in this respect, see also the paragraph entitled "*Liquidity and credit risk*" above. Furthermore, in order to limit the exposure of the

Issuer to the credit risk associated with Loans with Balloon Payment, it is provided for in the Master Receivables Transfer Agreement that the purchase of Additional Portfolios cannot result in the Balloon Financing Ratio exceeding 25%.

No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

**The collection of Receivables may be adversely affected in case of settlement agreements pursuant to Law No. 3/2012**

Law No. 3 of 27 January 2012 ("*Disposizioni in materia di usura e di estorsione, nonché di composizione delle crisi da sovraindebitamento*"), as amended (the "**Law No. 3/2012**"), provides for the possibility for a debtor to enter into a debt restructuring agreement (the "**Settlement Agreement**") with his creditors through a settlement procedure provided for therein (the "**Settlement Procedure**"). A Settlement Agreement can only be approved (*omologato*) by the competent Court if it is entered into by a Debtor with creditors representing at least 60 per cent. of such Debtor's debts.

The collection of Receivables may be adversely affected under Law No. 3/2012 in consideration of the fact that payments owed to the Originator in respect of the relevant Receivables by a Debtor who has entered into a Settlement Agreement may be subject to a one-year *moratorium*. Furthermore, the Court may issue an order preventing creditors for a period of up to 120 days from commencing or continuing foreclosure proceedings (*azioni esecutive*) and seizures (*sequestri conservativi*) and creating pre-emption rights on the assets of a Debtor. Such preventive effects may also be produced in case of approval (*omologazione*) of the Settlement Agreement by the Court for a maximum period of one year starting from the date of the approval.

Prospective investors should also note that under the Servicing Agreement the Servicer has undertaken to adhere to Settlement Agreements exclusively within the terms and limits provided for therein in respect of, *inter alia*, settlements, renegotiations and suspensions.

For further details regarding the relevant features of the Settlement Agreement and the Settlement Procedure, see the section entitled "*Selected aspects of Italian law - Settlement of the crisis (sovraindebitamento) under Law No. 3/2012*" below.

**Impact of the hardening period (*période suspecte*) on the assignment of Receivables**

The Originator is the Italian branch of RCI Banque SA, being an entity incorporated under the laws of France to which of the French law provisions apply. The assignments of Receivables may be subject to claw-back under French law upon certain conditions being met.

In particular, under French insolvency law, the hardening period (*période suspecte*) is a period of time the duration of which is determined by the bankruptcy judge upon the judgement recognising that the cessation of payments (*cessation des paiements*) of the insolvent company has occurred. The hardening period commences on the date of such judgement and extends for up to eighteen (18) months previous to the date of such judgement.

Under article L. 632-1 of the French Commercial Code (*Code de commerce*), certain acts entered into by a debtor during such hardening period (*période suspecte*) are automatically held null and void such as transactions at an undervalue, transactions devoid of consideration, payment of antecedent debts or security in respect of antecedent debts. Pursuant to article L. 632-2 of the French Commercial Code (*Code de commerce*), payments for due debts (*dettes échues*) made during the hardening period (*période suspecte*) as well as transactions with consideration (*actes à titre onéreux*) performed during such period may be held as null and void if the creditor was aware of the state of cessation of payments (*état de cessation des paiements*) of the debtor.

For the purpose of the compliance with articles 20(2) and 20(3) of the Securitisation Regulation,

provisions of articles L. 632-1 and L. 632-2 of the French Commercial Code (*Code de commerce*) should not be regarded as "severe clawback provisions" within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation. This is because such French law provisions do not include: (i) provisions which allow the liquidator of the Originator to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the Originator's insolvency, and (ii) provisions where the Issuer can only prevent the invalidation referred to in point (i) if it can prove that it was not aware of the insolvency of the Originator at the time of sale.

Prospective investors should however note that it cannot be excluded that such interpretation may be challenged before courts by a liquidator (within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation) which could obtain that such interpretation be set aside and that consequently the assignment of the Receivables be declared null and void. It should also be noted that French insolvency provisions may be amended or the interpretation thereof may evolve, due in particular to case law and that the impact of such amendments or evolution cannot be predicted by the Issuer as at the date of this Prospectus.

To mitigate such risk, the Originator will in particular be required to make and repeat, in accordance with the Warranty and Indemnity Agreement, a representation that it is solvent and that no facts or circumstances exist, to the best of its knowledge and belief, which might render the Originator insolvent, unable to perform its obligations or subject to any insolvency proceedings, nor that any corporate action has been taken for its winding up or dissolution, nor that any other action has been taken against or in respect of it which might adversely affect its ability to effect the assignment and transfer of the Receivables pursuant to the terms of the Master Receivables Transfer Agreement or to perform its obligations under the Warranty and Indemnity Agreement or the other Transaction Documents to which it is or will become a party, nor it will become insolvent as a consequence of the execution and performance of the Warranty and Indemnity Agreement and/or any other Transaction Document to which it is or will become a party.

#### **Assignments of Receivables may be subject to claw-back upon certain conditions being met**

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the relevant assignment is made within three months of the adjudication of bankruptcy of the Originator or, in cases where paragraph 1 of article 67 applies (e.g. if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the adjudication of bankruptcy. This may have an impact on the Issuer's ability to meet its payment obligations under the Notes.

Prospective investor should also note that the relevant authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus (for further details, see paragraph "*Application of the Securitisation Law has limited interpretation*" below).

#### **Risk relating to the right of set-off and other rights of the Debtors**

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

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, Debtors and/or Dealers may exercise a right of set-off against the Issuer on claims against the Originator and/or the Issuer which have arisen before the later of: (i) the

publication of the notice in the Official Gazette, and (ii) the registration in the competent companies' register have been completed. In addition, as set out in paragraph "*Consumer protection legislation*" below, pursuant to article 125-*septies* of the Consolidated Banking Act, debtors of consumer loans (and the Loans would qualify as such) are entitled to exercise against the assignee of any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation of the provisions of article 1248 of the Italian civil code (that means the debtors have such right even if they have accepted the assignment or have been given written notice thereof and if the transfer has been made enforceable against them). In this respect, it must be noted that article 4, paragraph 2 of the Securitisation Law provides that debtors of securitised receivables are not entitled to exercise any right of set-off against the securitisation company for any claims they have vis-à-vis the relevant originator which have arisen after the date of completion of the enforceability formalities of the transfer of such receivables to the securitisation company as provided for under the Securitisation Law. However, it is unclear whether article 4, paragraph 2 of the Securitisation Law in relation to set-off rights of the assigned debtors also prevails on article 125-*septies* of the Consolidated Banking Act, considering the special nature of the latter (i.e. provisions aimed at protecting the category of consumers).

Prospective investor should note that the relevant authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus (for further details, see paragraph "*Application of the Securitisation Law has limited interpretation*" below).

Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Debtor and/or any Dealer of a right of set-off. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations.

### **Competition in the personal loans business**

The Originator faces significant competition from a large number of banks and personal credit firms throughout the Republic of Italy. Many of its competitors have in the recent past adopted and implemented aggressive policies aimed at increasing their market share and reaching the critical mass which would enable them to face the challenges imposed by the market and in particular to invest heavily in more reliable and efficient credit scoring technologies. Strong competition has in general led to a progressive narrowing of the margins (personal loan rates less funding cost).

Consequently, no assurance can be given that the interest rates charged to Debtors under the Loans comprised in the Additional Portfolios (including the Increase Additional Portfolio) will be as high as those described under "*The Portfolio*" below. A significant decrease in the interest rate charged to Debtors under the Loans may have an impact on the Issuer's ability to meet its payment obligations under the Notes.

### **A.3. Legal and regulatory risks**

#### **Change of law may adversely impact the structure of the Securitisation and the Senior Notes**

The structure of the Securitisation and, *inter alia*, the increase of the Notes and the ratings assigned (and to be assigned) to the Senior Notes are based on Italian law, tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice. A change in the Italian law, tax or administrative practice after the Restructuring Date may adversely impact the structure of the Securitisation and the legal and tax treatment of the Senior Notes.

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

Changes to the regulation or regulatory treatment of the Senior 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 Senior Notes in the secondary market.

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

In particular, prospective investors should note that the Basel Committee on Banking Supervision (the "**Basel Committee**") 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) the 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 Senior 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.

Prospective investors 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.

Furthermore, 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 apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by the Basel Committee on Banking Supervision (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 new requirements and the previous 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 arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019, including securitisations established prior to the date where further securities are issued on or after 1 January 2019. Accordingly, the new requirements apply in respect of the Notes

Investors in the Senior Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originator, the Servicer, the Subordinated Loan Provider, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Cash Manager, the Paying Agent, the Listing Agent, the Corporate Servicer, the Sole Quotaholder, the Stichting Corporate Services Provider, the Subscriber or the Sole Arranger or any other party to the Transaction Documents makes any representation to any prospective investor regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Prospective investors should therefore make themselves aware of the changes and requirements referred to 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 Senior 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.

For further details, see the risk factors entitled "*The Securitisation Regulation has introduced new requirements*", "*Due-diligence requirements for Institutional Investors under the Securitisation Regulation*" and "*Disclosure requirements under EU CRA Regulation and Securitisation Regulation are uncertain in some respects*" below.

### **The Securitisation Regulation has introduced new requirements**

On 12 December 2017, the European Parliament adopted Regulation (EU) 2017/2402 (i.e. the Securitisation Regulation) which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (**STS Securitisations**).

As at the date of this Prospectus, there are uncertainties as of the impact which the Securitisation Regulation may have on, ultimately, perspective investors in the Notes, as described below.

#### *The general framework established by the Securitisation Regulation*

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

investment in the Senior Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the Securitisation Regulation. However, the Regulatory Technical Standards relating to the risk retention requirements under article 6 of the Securitisation Regulation are not in final form. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Senior Notes. Prospective investors must make their own assessment in this regard.

With respect to the commitment of the Originator to retain a material net economic interest in the Securitisation in accordance with option set out in article 6, paragraph 3(d) of the Securitisation Regulation and with respect to the information made available to the Senior Noteholders and prospective investors in accordance with article 7 of the Securitisation Regulation, please refer to the sections entitled "*Risk Retention Requirements*" and "*Transparency Requirements*".

#### *Due-diligence requirements for Institutional Investors under the Securitisation Regulation*

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

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

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

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and

possibly criminal sanctions. In the case of those institutional investor subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The institutional investor's due diligence obligations described above apply in respect of the Senior Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. Prospective investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of the non-compliance should seek guidance from their regulator.

### **Disclosure requirements under EU CRA Regulation and Securitisation Regulation are uncertain in some respects**

As of the date of the Prospectus there is some uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the disclosure requirements under CRA3 (as defined below) and the Securitisation Regulation.

In particular, the EU CRA Regulation provides for certain additional disclosure requirements for structured finance instrument ("**SFI**") within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 ("**CRA3**"). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the EU CRA Regulation, came into force on 26 January 2015. These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation no. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to article 8b of the EU CRA Regulation by that date. In addition ESMA concluded that the reporting obligations under the EU CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the Securitisation Regulation. Accordingly, pursuant to the obligations set forth in article 7(2) of the Securitisation Regulation, the originator, sponsor and securitisation special purpose entity (SSPE) of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation will in turn disclose information on securitisation transactions to the public. With the application of these provisions, the disclosure requirements of the EU CRA Regulation concerning SFI's are also addressed.

The disclosure requirements of article 7 of the Securitisation Regulation apply in respect of the Senior Notes. Non-compliance with the Regulatory Technical Standards on reporting obligations may adversely affect the value, liquidity of, and the amount payable under the Senior Notes, since certain costs connected to the compliance with the reporting requirements (including the ones connected with any potential breach of such requirements) (i) could be borne by the Issuer and, consequently, adversely affect the payment obligations of the Issuer under the Senior Notes or, otherwise, (ii) if borne by the Originator, could have a negative impact on the fulfilment of the contractual obligations assumed by the

Originator under the Transaction Documents.

## **Bank Recovery and Resolution Directive**

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

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

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

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

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

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

The implementation of the BRRD in France was made by several legislative and regulatory provisions. The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi n° 2013-672 du 26 juillet 2013 de séparation et de régulation des activités bancaires*) (the "**French Banking Law**") had anticipated the implementation of the BRRD and had introduced in the French Monetary and Financial Code article L. 613-31-16 which allows the ACPR to exercise resolution powers when an institution is subject to a procedure relating to its recovery or resolution.

Ordinance No. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordinance**") published in the Official Journal on 21 August 2015 introduced various provisions amending and supplementing the French Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the French Banking Law. Decree (*Décret*) No. 2015-1160 dated 17 September 2015 and three orders (*arrêtés*) dated 11 September 2015 implementing provisions of the Ordinance regarding (i) recovery planning implementing Section A of the Annex of the BRRD, (ii) resolution planning implementing Section B of the Annex of the BRRD, and (iii) criteria to assess the resolvability of an institution or group implementing Section C of the Annex of the BRRD, were published on 20 September 2015, mostly to define implementing rules of the BRRD. The Ordinance was ratified by Law No. 2016-1691 dated 9 December 2016 for the promotion of transparency, combating corruption and the modernisation of the economy (*Loi n°2016-1691 du 9 décembre 2016*

*relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporated provisions which clarified the implementation of the BRRD.

Finally, Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC was incorporated into French law by ordinance No. 2020-1636 of 21 December 2020 (*Ordonnance n° 2020-1636 du 21 décembre 2020 relative au régime de résolution dans le secteur bancaire*) published in the Official Journal on 23 December 2020. Such ordinance was completed by the decree (*décret*) No. 2020-1703 dated 24 December 2020 published on 27 December 2020.

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

In case any bank or investment firm being party to the Transaction Documents is subject to a resolution, as described above, the exercise of the powers by the relevant resolution authority may affect the Transaction Documents and the rights and obligations of the parties thereto.

### **Risks relating to 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 Securitisation does not and is not intended to comply with the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption for non-U.S. transactions provided for in Rule 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 ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction 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 securitised receivables was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prior to any Senior Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Senior Notes must first disclose to the Originator that it is a Risk Retention U.S. Person and obtain the written consent of the Originator, which will be monitoring the level of Senior Notes purchased by, or for the account or benefit of, Risk Retention U.S. Persons. Prospective investors

should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. There can be no assurance that the requirement to obtain the Originator's written consent to the purchase of any Senior Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available.

None of the Issuer, the Originator, the Arranger or any other party makes any representation to any prospective investor or purchaser of the Senior Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules.

### **Volcker Rule may restrict the ability of prospective purchasers to invest in the Senior Notes**

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 Senior Notes and, in addition, may have a negative impact on the price and liquidity of the Senior Notes in the secondary market.

The Issuer will be relying on an exclusion or exemption under the Investment Company Act contained in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "Volcker Rule").

The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (subject to the possibility of up to two one-year extensions). In the interim, banking entities must make good-faith efforts to conform their activities and investments to the Volcker Rule. Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

### **Application of the Securitisation Law has limited interpretation**

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

### **Italian Usury Law has been subject to different interpretations over the time**

Italian Law number 108 of 7 March 1996 (as amended and supplemented from time to time, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the threshold rates – *tassi soglia* – (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 28 December 2020 and published in the Official Gazette of 30 December 2020 No. 322 and being applicable for the quarterly period from 1 January 2021 to 31 March 2021). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

In some judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. The Italian Government has intervened in this situation with Law Decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, which provides, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion seems having been confirmed by the Italian Supreme Court, who recently stated (Cass. Sez. I, 11 January 2013, No. 602 and Cass. Sez. I, 11 January 2013, No. 603) that a reduction of the interest rate to the Usury Rates applicable from time to time, shall automatically apply. .

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

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By decision number 29 of 14 February 2002, the Italian Constitutional Court stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for those provisions of the Usury Law Decree which provide that the interest rates due on instalments payable after 2 January 2001 on loans are to be replaced by lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such Decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

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.

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

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement

that the provisions of the Loan Agreements comply with the Italian usury provisions.

### **Compounding of interest (*anatocismo*)**

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a 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*) number 2374/99 and number 2593/2003, number 21095/2004 as confirmed by judgement no. 24418/2010 of the same Court) have held that such practices may not be defined as customary practices ("*uso normativo*").

Consequently if Debtors were to challenge this practice, it is possible that such interpretation of the Italian civil code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Loan Agreements may be prejudiced.

In this respect, it should be noted that Article 25, paragraph 3, of Legislative Decree No. 342 of 4 August 1999 ("**Law No. 342**") enacted by the Italian Government under a delegation granted pursuant to Law No. 142 of 19 February 1992 (the "**Legge Delega**") 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. Law No. 342 was challenged decision No. 425 dated 9 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Furthermore, it should be noted that paragraph 2 of Article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Law No. 147 of 27 December 2013. In particular, such Law (become effective on 1 January 2014), seems to remove the possibility for compounding of interest. In this respect, Law Decree No. 91 of 24 June 2014 converted into law by Law No. 116 of 11 August 2014 (the "**Decree No. 91**"), has recently amended and replaced paragraph 2 of Article 120 of the Consolidated Banking Law, stating that the C.I.C.R. has to establish the methods and criteria of compounding of interest accrued in the context of the transactions regulated under Title VI of the Consolidated Banking Act with a periodicity of not less than one year. On 3 August 2016 the C.I.C.R. has issued such regulation.

In this respect, the Originator has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the interest on interest. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations.

### **Consumer protection legislation**

The Loans are consumer loans and are regulated by, amongst other things: (i) articles 121 to 126 of the Consolidated Banking Act; and (ii) chapter II, section I of law No. 142 of 19 February 1992; and (iii) Italian Legislative Decree No. 206 of 6 September 2005 (the "**Consumer Code**"). Chapter II, section I of law No. 142 of 19 February 1992 was repealed by the Consolidated Banking Act, but currently remains in force pending the Bank of Italy issuing the regulations implementing the foregoing provisions of the Consolidated Banking Act. 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 Consolidated 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:

- (i) pursuant to article 125-*quinquies* of the Consolidated Banking Act, debtors 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 debtor. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to sub-section 4 of article 125-*quinquies* of the Consolidated Banking Act, debtors are entitled to exercise any of the rights mentioned under sub-sections 1 to 3 of the same article, which they had against the original lender, against the assignee of any lender under such consumer loan contracts. In this respect, under the Warranty and Indemnity Agreement the Originator has agreed to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred as a result of the exercise by any Debtor of any claim grounded on a default by suppliers (i.e. the relevant Dealers). There can be no assurance, however, that the Originator will have the financial resources to honour such obligations.;
- (ii) pursuant to article 125-*sexies* of the Consolidated 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 be 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;
- (iii) pursuant to article 125-*septies* of the Consolidated Banking Act, debtors are entitled to exercise against the assignee of any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation of the provisions of article 1248 of the Italian civil code (that means the debtors have such right even if they have accepted the assignment or have been given written notice thereof). This could result in Debtors obtaining a right of set-off or other right of defence against the Issuer in respect of any of the Originator's obligations to the Debtors. For this purpose, under the Warranty and Indemnity Agreement the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the relevant Receivables as a result of the exercise by any Debtor of a right of set-off. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations..

The Consumer Code has repealed articles 1469-*bis* to 1469-*sexies* of the Italian civil code, which were applicable to the Loan Agreements and substituted the regulation contained therein, with substantially the same terms. Article 33 of the Consumer Code provides that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith. Article 33 of 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 negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, amongst others, 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 Consumer Code, the following clauses, amongst others, are considered unfair as matter of law and are null and void: (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 clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract.

The Originator has represented and warranted in the Warranty and Indemnity Agreement that the Loan Agreements comply with all applicable laws and regulations.

#### **A.4. Macro-economic and market risks**

##### **Lack of liquidity in the secondary market for the Senior Notes may affect the market value of the Notes**

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

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

##### **Risks relating to the political and economic developments in the Republic of Italy and European Union**

The market value and the liquidity of the Senior Notes may be affected by disruptions and volatility in the global financial markets.

Global markets and economic conditions have been negatively impacted in recent years by market perceptions regarding the ability of certain EU member states to service their sovereign debt obligations. As a result of the credit crisis in the EU, monetary and political conditions and stability remain uncertain in the EU, in particular, in a number of the euro-zone members, including Greece, Italy, Ireland, Portugal, Cyprus and Spain.

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

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

In addition, prospective investor should note that on 31 January 2020, the United Kingdom withdrew from the EU. Pursuant to the withdrawal agreement under the article 50 of Lisbon Treaty ratified between the United Kingdom and the European Union (the "**Withdrawal Agreement**"), the United Kingdom entered an implementation period during which it negotiated its future relationship with the European Union. During such implementation period – which ended at 11 p.m. UK time (midnight CET) on 31 December 2020 – EU law generally continued to apply in the United Kingdom. Following such negotiations, on 24 December 2020 the United Kingdom and the European Union concluded a free trade agreement known as the "UK-EU Trade and Cooperation Agreement" (the "**TCA**").

Notwithstanding the conclusion of the Withdrawal Agreement and the TCA by the EU and the UK, it cannot be excluded that the United Kingdom's exit from the European Union will have on the Securitisation and/or the Issuer's ability to make payments on the Senior Notes.

These factors and general market conditions could adversely affect the performance of the Senior Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

#### **A.5. Risks associated with taxation in respect of the Notes**

##### **Withholding tax under the Senior Notes**

Payments of interest and other proceeds under the Senior Notes may be subject to withholding or deduction for or on account of Italian tax. In such circumstance, any beneficial owner of an interest payment relating to the Senior Notes will receive the relevant amounts of interest payable on such Senior Notes net of the aforementioned withholding or deduction.

For example, as at the date of this Base Prospectus, according to Decree 239, any non-Italian resident beneficial owner of a payment of interest or other proceeds relating to the Senior Notes who (i) is either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, or (ii) even if resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, does not timely comply with the requirements set forth in Decree 239 and the relevant application rules in order to benefit from the exemption from substitute tax, will receive interest and other proceeds payable on the Notes net of the Italian substitute tax provided for by Decree 239. For further details in this respect, see also the section entitled "*Taxation*" below.

As at the date of this Base Prospectus, such substitute tax is levied at the rate of 26 per cent. or such lower rate as may be applicable under any relevant double taxation treaty.

If a substitute tax is imposed in respect of payments of amounts due to Senior Noteholders pursuant to the Senior Notes, neither the Issuer nor any other person will be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

#### **B. RISK FACTORS RELATED TO THE ISSUER**

##### **B.1 Credit risks**

###### **Liquidity and credit risk**

The Issuer is subject to a liquidity risk in case of delay between the scheduled payment dates provided under the Loan Agreements and the actual receipt of payments from the Debtors and/or the Dealers.

This risk is addressed in respect of the Notes through the support provided to the Issuer in respect of payments on the Notes by the Cash Reserve.

The Issuer is also subject to the risk of default in payment by the Debtors and/or the Dealers and of the

failure by the Servicer to collect or to recover sufficient funds in respect of the Loans in order to discharge all amounts due from the Debtors under the Loan Agreements. These risks are mitigated by the liquidity and credit support provided: (A) in respect of the Class A Notes, by the Junior Notes; and (B) to a lesser extent in respect of the Senior Notes by the Cash Reserve.

No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes and that the level of Collections and Recoveries received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

### **Commingling Risk may affect the availability of funds to make payments under the Senior Notes**

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held by the Servicer are lost or frozen.

Such risk is mitigated by the provisions of the Servicing Agreement according to which, starting from the Issue Date, the Servicer shall transfer all of the Collections received or the Recovery made in relation to the Receivables to the Collection Account on the Business Day following the relevant date of receipt by the Servicer. However, no assurance can be given that such mitigant will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

For further details see the paragraph entitled *"The ability of the Issuer to meet its obligations under the Senior Notes is dependent on the performance of the Servicer and the other parties to the Transaction Documents"* above.

## **B.2 Risks relating to the Issuer being a special purpose vehicle**

### **No independent investigation has been or will be made in relation to the Receivables**

None of the Issuer or the Arranger nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements nor has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigation, search or other action to establish the creditworthiness of any Debtors and/or Dealers. There can be no assurance that the assumptions used in modelling the cash flows of the Receivables and the Portfolio accurately reflect the status of the underlying Loan Agreements.

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

### **Claims of unsecured creditors of the Issuer may affect the Issuer's ability to meet its obligations under the Senior Notes**

By virtue of the operation of Article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other receivable purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available both prior to and following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable

Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. The Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes.

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

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

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

Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Senior Notes.

### **The Noteholders have limited direct enforcement rights**

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

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from the Transaction Documents or enforce the Security and, accordingly, no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders.

Furthermore, in some circumstances, the Notes may become subject to early redemption. Early redemption of the Notes in some cases may be dependant upon receipt by the Representative of the Noteholders of a direction from, or resolution of, a specified proportion of the Noteholders or a specified proportion of a specified Class of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be of no practical effect and, if a determination is made by the requisite majority of the Noteholders to redeem the Notes, the minority Noteholders may face early redemption of the Notes against their will.

**Conflicts of interest will be managed by the Representative of the Noteholders in a manner which may not be in line with the interests of the Junior Noteholders**

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretion of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

### **B.3 Risks associated with taxation in respect of the Issuer**

#### **Tax treatment of the Issuer**

Taxable income of the Issuer is determined without any special rights in accordance with Italian Presidential Decree number 917 of 22 December 1986 ("**Decree 917**"). On the basis of the applicable accounting principles and on the basis of the general principle of substance over form applicable to the financial statements of the Issuer and of the provision of the Securitisation Law,, the assets and liabilities and the costs and revenues of the Issuer in relation to the securitisation of the Receivables must be recorded in the *Nota Integrativa* (notes to financial statements) (except for overhead and general expenses and any amount that the Issuer may apply out of the Issuer Available Funds for the payment of such overhead and general expenses). Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation.

On 24 October 2002, the Revenue Agency – Regional Direction of Lombardy, released a private ruling with reference to some aspects of the Italian taxation of a securitisation vehicle. According to the private ruling, the Agency claimed that the net result of a securitisation transaction is taxable as issuer's taxable income "to the extent that the relevant securitisation transaction is structured in such a way that a net income is available to the vehicle after having discharged all its obligations". Moreover, the *Agenzia delle Entrate* (the "**Agency**"), with Circular number 8/E of 6 February 2003, has taken the position that only amounts, if any, available to securitisation vehicles after fully discharging their obligations to the noteholders and any other creditors of the securitisation vehicles in respect of any costs, fees and expenses in relation to securitisation transactions should be imputed for tax purposes to the securitisation vehicles. Consequently, according to the quoted position of the Agency, the Issuer should not have any taxable income if no amounts are available to the Issuer after discharging all its obligations deriving from and connected to the Securitisation.

It is however possible that the Italian Ministry of Economy and Finance or another competent authority may issue regulations, circular letters or generally binding rules relating to the Securitisation Law which might alter or affect, or that any competent authority or court may take a different view with respect to, the tax position of the Issuer, as described above.

#### **Registration tax on transfer of the Receivables**

The transfer of the Receivables under the Master Receivables Transfer Agreement is subject to registration tax which will be payable at a rate varying from the fixed amount of Euro 200.00 to no more than 0.5 per cent of the face value of the Receivables transferred thereunder. The fixed amount of Euro 200.00 will apply in the event that (i) the transfer is made for consideration for VAT purposes and (ii) the transaction is made for financial purposes by the parties.

Under the Master Receivables Transfer Agreement, the Originator has undertaken to bear and to indemnify the Issuer, in respect of, any registration tax or any other tax applicable to the Master Receivables Transfer Agreement and the relevant transfers thereunder.

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

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the Senior Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, (i) certain payments from sources within the United States, (ii) "foreign pass-through payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Under existing guidance, this withholding tax may be triggered on payments on the Senior Notes if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in A18699597/7.0a/28 Nov 2014 FATCA, including any accompanying U.S. regulations or guidance) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer is required to withhold on "foreign pass-through payments", and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which is made a payment on the Senior Notes is not a Participating FFI or otherwise exempt from FATCA withholding.

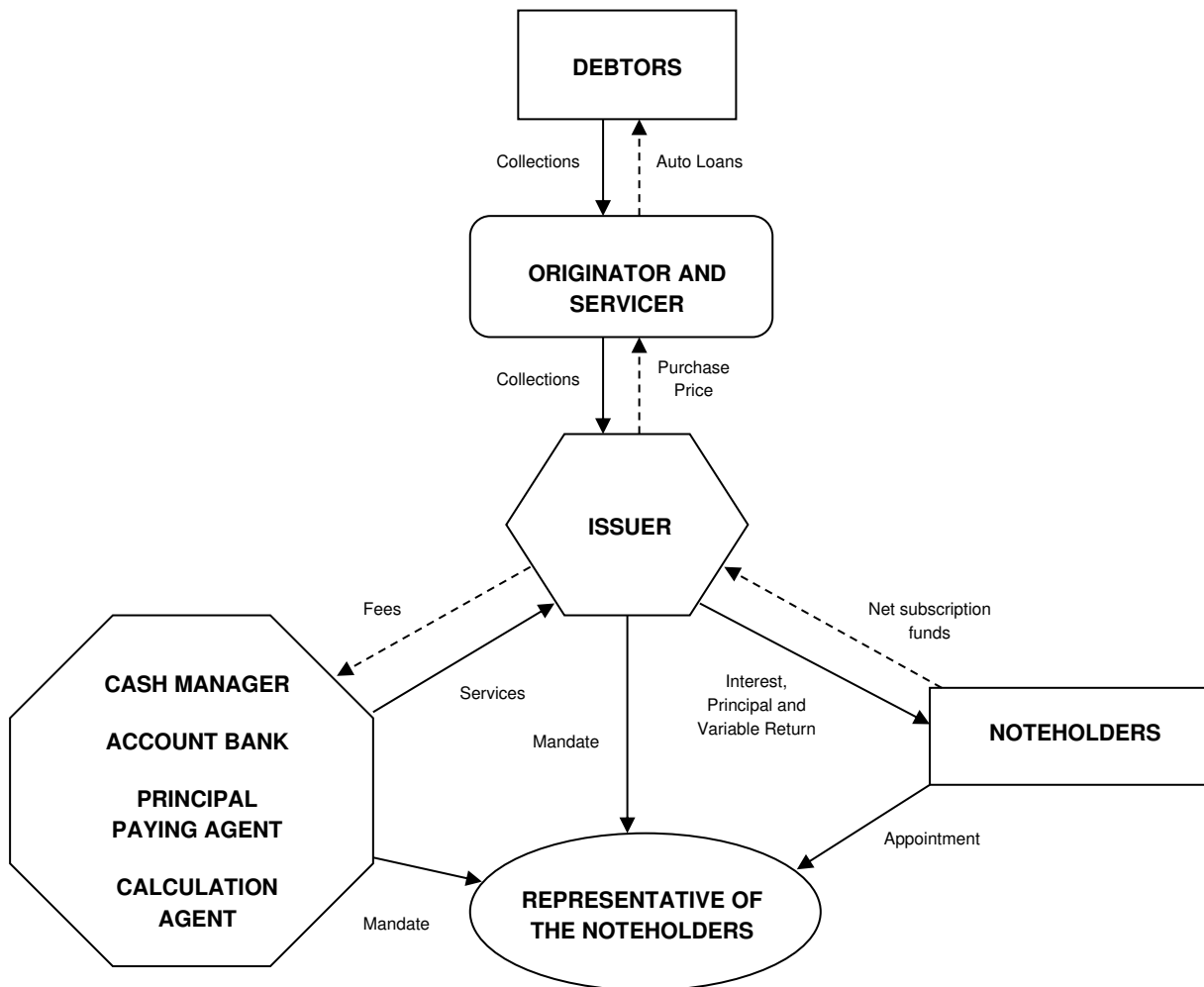
The application of FATCA to amounts paid with respect to the Senior Notes is not completely clear. In particular, Italy entered into an intergovernmental agreement with the United States to help the implementation of FATCA for certain Italian entities on 10 January 2014, ratified by way of Law No. 95 on 18 June 2015, published in the Official Gazette – general series No. 155, on 7 July 2015. The full impact of such an agreement on the Issuer and the Issuer's reporting and withholding responsibilities under FATCA is – at this stage - not completely clear. The Issuer will be required to report certain information on its U.S. account holders to the government of Italy in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Italian law. However, it is not yet certain how the United States and Italy will address withholding on "foreign pass-through payments" (which may include payments on the Senior Notes) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Senior Notes as a result of FATCA, none of the Issuer, the Arranger or any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

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

## TRANSACTION DIAGRAM

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



## TRANSACTION OVERVIEW

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

### 1 PRINCIPAL PARTIES

|  |   |
|--|---|
| <b>Issuer</b>                            | Cars Alliance Auto Loans Italy 2015 S.r.l., a <i>società a responsabilità limitata</i> duly incorporated under the laws of the Republic of Italy pursuant to Italian law no. 130 of 30 April 1999 (the " <b>Securitisation Law</b> "), having its registered office at Via Alessandro Pestalozza 12/14, 20131 – Milan, Italy, fiscal code and enrolment with the companies register of Milan number 08831670966, enrolled under number 351916 in the <i>elenco delle società veicolo</i> held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 7 June 2017 and having as its sole corporate object the realisation of securitisation transactions under the Securitisation Law.  |
| <b>Originator</b>                        | RCI Banque S.A., a <i>société anonyme</i> duly incorporated under the laws of France whose registered office is at 15, rue d'Uzès 75002 Paris, France, registered with the Register of Paris SIREN 306 523 358, and having a bank license issued by the <i>Autorité de contrôle prudentiel et de résolution</i> , acting through its Rome branch, having its offices at Via Tiburtina 1155, Rome, Italy, Fiscal Code and registration with the Companies Register of Rome No. 05574741004 and enrolled under number 5382 in the register of banks that operate in Italy through a branch held by the Bank of Italy pursuant to article 13 of the Legislative Decree no. 385 of 1 September 1993 (the " <b>Italian Banking Act</b> ") (" <b>RCI Banque Italy</b> "). |
| <b>Servicer</b>                          | RCI Banque Italy. The Servicer will act as such pursuant to the Servicing Agreement.  |
| <b>Master Servicer</b>                   | Zenith Service S.p.A., a joint stock company ( <i>società per azioni</i> ) incorporated under the laws of the Republic of Italy, with registered office at Via Vittorio Betteloni 2, 20131 Milan, Italy, fully paid share capital of Euro 2,000,000, fiscal code and enrolment with the companies register of Milan number 02200990980, enrolled in the register of financial intermediaries held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act (" <b>Zenith</b> "). The Master Servicer will act as such pursuant to the Servicing Agreement.  |
| <b>Representative of the Noteholders</b> | Zenith. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement and the Conditions.   |
| <b>Calculation Agent</b>                 | Zenith. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.  |
| <b>Account Bank</b>                      | Crédit Agricole Corporate and Investment Bank, a <i>société anonyme</i> duly incorporated under the laws of France with its   |

principal office at 12 place des Etats-Unis - CS 70052, 92547 Montrouge Cedex, registered at the *Registre du Commerce et des Sociétés* of Nanterre under number 304 187 701, acting through its Milan branch, located in Piazza Cavour 2, 20121 Milan, Italy, Fiscal Code, VAT Code and enrolment with the Company Register of Milan No. 11622280151, registered with the register of banks that operate in Italy through a branch held by the Bank of Italy pursuant to article 13 of the Italian Banking Act under No. 5276 ("**CA-CIB**"). The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.

|                               |  |
|-------------------------------|--|
| <b>Cash Manager</b>           | CA-CIB. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payments Agreement.  |
| <b>Principal Paying Agent</b> | CA-CIB. The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.  |
| <b>Listing Agent</b>          | CACEIS Bank Luxembourg, a company duly incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 5 Allée Scheffer, L 2520 Luxembourg (" <b>CACEIS</b> ").  |
| <b>Corporate Servicer</b>     | Zenith. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.  |
| <b>Quotaholder</b>            | Stichting SFM Italy No. 1, a Dutch foundation, having its registered office at Amsterdam, Prins Bernhardplein 200, 1097 JB, The Netherlands (the " <b>Quotaholder</b> "), which holds the 100% of the quota capital of the Issuer.   |
| <b>Reporting Entity</b>       | <p>Under the Intercreditor Agreement, RCI Banque Italy is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation. In such capacity as Reporting Entity, RCI Banque Italy has fulfilled before pricing and/or shall fulfil after the Restructuring Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation. In addition, each of the Issuer and the Originator has agreed that RCI Banque Italy is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27, paragraph 1, of the Securitisation Regulation.</p> <p>The Reporting Entity will act as such pursuant to the Intercreditor Agreement.</p> <p>For further details, please see the section headed "<i>Transparency Requirements</i>".</p> |
| <b>Rating Agencies</b>        | <p>Moody's Investors Service Espana, S.A. ("<b>Moody's</b>"); and</p> <p>DBRS Ratings GmbH ("<b>DBRS</b>").</p>  |

## 2 PRINCIPAL FEATURES OF THE NOTES

| <b>The Notes</b>   | The Notes have been issued by the Issuer on the Issue Date in the following Classes:  |              |                    |         |               |         |               |
|--|---|--------------|--------------------|---------|---------------|---------|---------------|
| <b>Senior Notes</b>  | €955,000,000 Class A Asset Backed Fixed Rate Notes due 2031 (the " <b>Class A Notes</b> " or the " <b>Senior Notes</b> ").  |              |                    |         |               |         |               |
| <b>Junior Notes</b>  | €291,500,000 Class J Asset Backed Variable Return Notes due 2031 (the " <b>Class J Notes</b> " or the " <b>Junior Notes</b> " and, together with the Senior Notes, the " <b>Notes</b> ").   |              |                    |         |               |         |               |
| <b>Issue Date</b>  | The Notes have been issued on 23 July 2015.   |              |                    |         |               |         |               |
| <b>Issue Price</b>   | The Notes have been issued at the following percentages of their principal amount: <table> <tr> <th><i>Class</i></th><th><i>Issue Price</i></th></tr> <tr> <td>Class A</td><td>100 per cent.</td></tr> <tr> <td>Class J</td><td>100 per cent.</td></tr> </table> <p>The Issue Price of the Notes has been paid in full on the Issue Date, in accordance with the relevant Subscription Agreement.</p>   | <i>Class</i> | <i>Issue Price</i> | Class A | 100 per cent. | Class J | 100 per cent. |
| <i>Class</i>   | <i>Issue Price</i>  |              |                    |         |               |         |               |
| Class A  | 100 per cent.   |              |                    |         |               |         |               |
| Class J  | 100 per cent.   |              |                    |         |               |         |               |
| <b>Increase Date</b>   | The Senior Notes have been increased on 9 May 2018. On the Increase Date, following the increase of the notional amount of the Senior Notes, the Senior Notes result as follows: €1,357,400,000.00 Class A Asset Backed Fixed Rate Notes due 2031.  |              |                    |         |               |         |               |
| <b>Restructuring Date</b>                                      | The Senior Notes and the Junior Notes will be increased on 8 March 2021.  |              |                    |         |               |         |               |
| <b>Issue Price of the Notes (as increased)</b>                 | On the Restructuring Date the Notes will be increased at 100 per cent. of their principal amount.   |              |                    |         |               |         |               |
| <b>Increased Notional Amount and Aggregate Notional Amount</b> | <p>The notional amount will be increased by the Issuer as follows:</p> <ul style="list-style-type: none"> <li>(a) in respect of the Senior Notes, for an amount of €477,400,000.00; and</li> <li>(b) in respect of the Junior Notes, for an amount of €4,100,000.00.</li> </ul> <p>On the Restructuring Date, the Notes will result as follows:</p> <ul style="list-style-type: none"> <li>(i) €1,834,800,000 Class A Asset Backed Fixed Rate Notes due 2038; and</li> <li>(ii) €295,600,000 Class J Asset Backed Variable Return Notes due 2038</li> </ul> |              |                    |         |               |         |               |
| <b>Pool Factor</b>   | On the Restructuring Date the Pool Factor of the Senior Notes (being the Principal Amount Outstanding of the Senior Notes as of the Restructuring Date divided by the Aggregate Notional Amount of the Senior Notes) will be 100%.  |              |                    |         |               |         |               |

## Rating

The Senior Notes are expected to be assigned the rating of "AAA" by DBRS and "Aa3(sf)" by Moody's on the Restructuring Date.

The Junior Notes are not expected to be assigned any credit rating.

With reference to the ratings specified above to be assigned by DBRS, in accordance with DBRS definitions available as at the date of this Prospectus on the website <https://www.dbrsmorningstar.com/understanding-ratings/#about-ratings>, "AAA" means exceptional financial strength. Unlikely to be undermined by adverse business and economic conditions.

With reference to the ratings specified above to be assigned by Moody's, in accordance with Moody's definitions available as at the date of this Prospectus on the website <https://www.moodys.com/Pages/amr002002.aspx>, "Aa3(sf)" means high quality obligations, subject to very low credit risk.

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

As of the date of this Prospectus, Moody's and DBRS are established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and by Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013 (the "**EU CRA Regulation**") and be included in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> (the "**ESMA Website**"))).

## Interest on the Notes

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a fixed rate of 0.75 per cent. *per annum*.

The Class J Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a fixed rate of 1.25 per cent. *per annum*.

In addition, the Class J Notes will have a remuneration equal to the Variable Return (if any) (as defined in the Junior Notes Conditions).

Interest in respect of the Notes will accrue on a daily basis and will be payable in arrears in euro on each Payment Date in

accordance with the applicable Priority of Payments.

The first payment of interest in respect of the Notes was due on the Payment Date falling in October 2015 (the "**First Payment Date**") in respect of the period from (and including) the Issue Date to (but excluding) such date.

**Junior Notes Conditions**

Except for Junior Notes Conditions relating to the interest/return payable on the Junior Notes and the early redemption of the Junior Notes through the disposal of the Portfolio following full redemption of the Senior Notes, the terms and conditions of the Class J Notes are the same, *mutatis mutandis*, as the Senior Notes Conditions.

**Form and denomination**

The denomination of the Class A Notes and of the Class J Notes will be €100,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Italian Financial Act and the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

**Ranking, status and subordination**

The Senior Notes will rank *pari passu* and *pro-rata* without any preference or priority among themselves for all purposes, but in priority to the Class J Notes. The Class J Notes will rank *pari passu* and *pro-rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

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

**Withholding on the Notes**

As at the date hereof, payments of interest, Variable Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian substitute tax (*imposta sostitutiva*), in accordance with Decree 239. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

**Mandatory Redemption**

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

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

**Optional redemption**

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

- (a) giving not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and
- (b) delivering, prior to the notice referred to in paragraph (a) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Pre-Trigger Notice Principal Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Pre-Trigger Notice Principal Priority of Payments.

**"Clean Up Option Date"** means the Payment Date in respect of which the Outstanding Principal of the Portfolio have become equal to, or less than, 10 per cent. of the Outstanding Principal of the overall Portfolio as of the Restructuring Date (including the Outstanding Principal of the Increase Further Additional Portfolio as of the relevant Valuation Date).

**Optional Redemption in whole for taxation**

Provided that no Trigger Notice has been served on the Issuer,

**reasons**

upon the imposition, at any time, of:

- (i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or
- (ii) any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

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

- (a) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and
- (b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds not subject to the interests of any other person required to redeem in whole (but not in part) the Notes pursuant to the Senior Notes Condition, the Junior Notes Conditions and the Intercreditor Agreement and any amount required to be paid under the Pre-Trigger Notice Principal Priority of Payments in priority to or *pari passu* with the Notes,

the Issuer may, subject as provided in the Conditions and prior written notice having been given to the Rating Agencies, redeem in whole (but not in part) the Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

**Optional Redemption by  
Class A Noteholders**

Following the occurrence of an Excess Cash Trigger, as set out in the Investor Report prepared by the Calculation Agent, and provided that no Trigger Notice has been served on the Issuer, during the Revolving Period the Class A Noteholders, representing 100% of the then current Principal Amount Outstanding of the Senior Notes, will be entitled to request the Issuer, through the Representative of the Noteholders (so directed by a resolution (also in form of Written Resolution)), to early redeem (also in part) the Senior Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Pre-Trigger Notice Principal Priority of Payments. To such purpose, the Class A Noteholders shall deliver a written notice to the Issuer and the Calculation Agent at least 4 (four) Business Days before the relevant

Calculation Date, for effecting the early redemption on the immediately following Payment Date. The exercise of the optional redemption pursuant to this Condition 8.5 will not cause the termination of the Revolving Period. Written notice thereof will be given by the Issuer to the Rating Agencies.

An “**Excess Cash Trigger**” will be deemed to occur in the event that on any Calculation Date during the Revolving Period the balance of the Payment Account exceeds 5% of the Principal Amount Outstanding of the Notes, as calculated by the Calculation Agent and set out in the Payments Report, provided that should the balance of the Payments Account is higher than 15% a Purchase Termination Event will be deemed to occur pursuant to the terms of the Master Receivables Transfer Agreement.

**Final Maturity Date**

Unless previously redeemed in full, the Notes are due to be repaid in full at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on their Final Maturity Date, shall be cancelled.

**Segregation**

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Issuer's right, title and interest in and to the Portfolio, the collections in respect thereof, any financial asset purchased with such moneys and the other claims of the Issuer which arise the context of the Securitisation (the “**Issuer's Segregated Assets**”), pursuant to the Securitisation Law are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Issuer's Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Issuer's Segregated Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders and the Other Issuer Creditors, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer will empower the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Issuer's Segregated Assets. Italian law governs the delegation of such power. In addition, security over certain rights of the Issuer arising out of certain Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge, for the benefit of

the Noteholders and the Other Issuer Creditors.

**Performance Triggers**

The following performance triggers will constitute a Purchase Termination Event under the Master Receivables Transfer Agreement:

- (A) as at any Calculation Date, the 3 Month Average Delinquency Rate exceeds the Delinquency Rate Percentage for two consecutive Calculation Dates; or
- (B) as at any Calculation Date, the Cumulative Net Default Rate exceeds the Cumulative Net Default Rate Percentage; or
- (C) on any Calculation Date the balance of the Payment Account exceeds 15% of the Principal Amount Outstanding of the Notes;
- (D) on any Calculation Date, there are insufficient Issuer Interest Available Funds to cover the Principal Shortfall in accordance with the Pre-Trigger Notice Interest Priority of Payments on the immediately following Payment Date.

**Trigger Events**

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

- (a) *Non-payment of principal on the Notes:*

the Issuer defaults in the payment of the amount of principal on the Final Maturity Date, as due and payable on the Senior Notes, and such default is not remedied within a period of five Business Days from the due date thereof; or

- (b) *Non-payment of interest on the Notes*

the Issuer defaults in the payment of the amount of interest on a Payment Date, as due on the Senior Notes, and such default is not remedied within a period of five Business Days from the due date thereof; or

- (c) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any "*Non-payment*" referred to under (a) and (b) above) and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

- (d) *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is, or proves to have been, incorrect or misleading in any material respect (which is relevant in the opinion of the Representative of the Noteholders), when made or repeated and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such breach remains unremedied for 15 (fifteen) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(e) *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

(f) *Unlawfulness:*

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

then the Representative of the Noteholders,

- (1) in the case of a Trigger Event under item (a), (b) or (f) above, shall; and
- (2) in the case of a Trigger Event under items (c), (d) or (e) above, may or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

in each case subject to being indemnified and/or secured in satisfaction, serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Conditions and described under section "*Priority of Payments following the delivery of a Trigger Notice*" below and on such dates as the Representative of the Noteholders may determine.

**Non petition**

Only the Representative of the Noteholders may pursue the remedies available under the applicable law or under the Transaction Documents to obtain payment of the Obligations or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents or to enforce the security created pursuant to the Deed of Pledge. In particular:

- (a) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled, otherwise than as permitted by the Transaction

Documents, to direct the Representative of the Noteholders to enforce the security created pursuant to the Deed of Pledge or take any proceedings against the Issuer to enforce such security;

- (b) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (c) until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (d) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the applicable Priority of Payments not being complied with.

**Limited recourse  
obligations of Issuer**

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

- (a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- (b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (i) the aggregate amount of all sums due and payable to such Noteholder; and (ii) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and
- (c) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the security created pursuant to the

Deed of Pledge (whether arising from judicial enforcement proceedings, enforcement of the security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Terms and Conditions of the Notes that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the security created pursuant to the Deed of Pledge (whether arising from judicial enforcement proceedings, enforcement of the security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

**The Organisation of the Noteholders and the Representative of the Noteholders**

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

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

**Selling restrictions of the Notes**

The Notes will be subject to certain selling restrictions, as set out in the Subscription Agreements. In particular, the Notes: (a) may not be offered or sold within the United States, subject to certain exceptions; and (b) may be sold in other jurisdictions (including the Republic of Italy and other Member States of the European Economic Area) only in compliance with the applicable laws and regulations of the relevant jurisdictions.

**Listing and admission to trading**

Application has been made to list the Senior Notes (as increased on the Restructuring Date) on the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*".

**STS Securitisation**

The Securitisation is intended to qualify as a simple, transparent and standardised (STS) securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the Securitisation Regulation and will be notified by the Originator to be included in the list

published by ESMA referred to in Article 27(5) of the Securitisation Regulation (the “**STS Notification**”). The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>).

The compliance of the Securitisation with the STS Requirements has been verified as of the Restructuring Date by Prime Collateralised Securities (PCS) EU SAS (“**PCS**”), in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation.

No assurance can be provided that the Securitisation does or will continue to qualify as an STS Securitisation under the Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS Securitisation status of a transaction is not static and that investors should verify the current status of the Securitisation on ESMA website.

**Governing Law**

The Notes are governed by Italian Law.

**Material Net Economic Interest in the Securitisation**

Under the terms of the Intercreditor Agreement, the Originator has undertaken to retain on an on-going basis at least 5 per cent. of net economic interest in accordance with Article 6 of the Securitisation Regulation and the applicable Regulatory Technical Standards.

For such purpose, the Originator has undertaken to retain the first loss tranche through the subscription of the Junior Notes with effect from the Issue Date and to disclose that it continues to fulfil the obligation to maintain such net economic interest in the Securitisation on a monthly basis and at any point where the requirement is breached. As of the Restructuring Date such net economic interest will be maintained through the retention of the Originator of the Junior Notes in accordance with option (d) of Article 6 of the Securitisation Regulation.

For further details see the section headed “*Risk Retention Requirements*”.

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

**Issuer Available Funds**

The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of the Issuer Principal Available Funds and the Issuer Interest Available Funds.

For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Issuer’s Accounts as at the immediately preceding Calculation Date.

**Issuer Principal Available**

The Issuer Principal Available Funds, on any Calculation Date,

## Funds

are constituted by the aggregate of:

- (a) the Principal Collections standing to the credit of the Collection Account as at such Calculation Date;
- (b) any amounts to be paid on the immediately following Payment Date pursuant to items (vii) and (viii) of the Pre Trigger Notice Interest Priority of Payments;
- (c) the Reserve Released Amount transferred to the Payments Account from the Reserve Account on or prior to the immediately following Payment Date;
- (d) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Reserve Account;
- (e) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Expenses Account;
- (f) the Prepayment Profits collected by the Servicer during the relevant Collection Period; and
- (g) on the Calculation Date immediately preceding the Final Maturity Date, all the Not Assigned Collections.

**"Principal Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Principal Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) the amount of Recoveries which are standing to the credit of the Collection Account;
- (c) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Transfer Agreement (other than in respect of the Interest Component) and the Warranty and Indemnity Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from or in respect of the Insurance Policies);
- (d) all the proceeds deriving from the sale (in whole or in part), if any, of the Portfolio, in accordance with the provisions of the Transaction Documents;
- (e) all the proceeds deriving from the sale, if any, of individual Receivables in accordance with the

provisions of the Transaction Documents during the immediately preceding Collection Period;

- (f) the amount credited to the Payments Account on the immediately preceding Payment Date; and
- (g) any amounts (other than the amounts already allocated under other items of the Issuer Principal Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period.

**"Reserve Released Amount"** means, on any Calculation Date, the difference between the Reserve Amount standing to the credit of the Reserve Account and the Required Reserve Amount.

**"Drawn Reserve Amount"** means, on any Calculation Date, the lower of (i) the Reserve Amount, and (ii) the Interest Shortfall.

**"Required Reserve Amount"** means, on any Calculation Date, during the Revolving Period, the Reserve Initial Amount and, thereafter, following the end of the Revolving Period, the higher of (a) € 1,000,000, and (b) 1 per cent. of the Principal Amount Outstanding of the Notes as at the immediately preceding Calculation Date.

**"Principal Shortfall"** means, on any Calculation Date, the positive difference between:

- (a) the aggregate Outstanding Principal (as defined below) of all Defaulted Receivables in respect of all Loan Agreements since the Issue Date as of such Calculation Date;
- (b) the sum of all Issuer Interest Available Funds paid on the preceding Payment Dates under item (vii) of the Pre-Trigger Notice Interest Priority of Payments; and
- (c) the Cumulative Net Prepayment Profits (as defined below) as at such Calculation Date.

**"Cumulative Net Prepayment Profits"** means, on any Calculation Date, the aggregate profits realised by the Issuer in respect of all Instalments of all Loan Agreements which have been prepaid prior to their respective due dates for payment on or prior to the immediately preceding Collection Date as calculated by the Servicer and set out in the latest Servicer's Report prepared and delivered by the Master Servicer.

**"Outstanding Principal"** means, on any given date:

- (a) in relation to a Receivable, the aggregate of the Principal Components of such Receivable that have not yet been paid up as at such date; and

- (b) in relation to the Portfolio, the aggregate of all the Principal Components of all the Receivables that have not yet been paid up as at such date.

**Issuer Interest Available Funds**

The Issuer Interest Available Funds, on any Calculation Date, are constituted by the aggregate of:

- (a) all Interest Collections standing to the credit of the Collection Account as of such Calculation Date;
- (b) the Drawn Reserve Amount; and
- (c) all amounts of Interest Shortfall to be paid on the immediately following Payment Date pursuant to item (i) of the Pre Trigger Notice Principal Priority of Payments.

**"Interest Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Interest Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) all amounts received by the Issuer from any Eligible Investments in excess of the original amount invested in the relevant Eligible Investment;
- (c) all amounts of interest accrued on and credited to the Issuer's Accounts.

**"Interest Component"** means in relation to an Instalment payable on a given date "(t)", an amount calculated in accordance with the following formula:

$$NPV_{t-1} \times i / 12$$

where:

- t* means the due date of the Instalment on which the Interest Component is calculated using this formula;
- t-1* means the due date of the previous Instalment;
- NPV<sub>t-1</sub>* means the Net Present Value of the relevant Receivable at the due date of the previous Instalment;
- i* means the relevant Discount Rate.

**"Net Present Value"** means the net present value of each Receivable, calculated by applying the following formula:

$$N$$

$$\sum_{t=1}^N R_t \times (1+i/12)^{-Dt}$$

$t=1$

where:

- N* means the total number of Instalments payable and not yet collected under the Loan Agreement from which such Receivable arises, during the period commencing on (and including) the relevant Transfer Date of such Receivable until (and including) the date on which it becomes due and payable;
- R<sub>t</sub>* means the amount of Instalment number *t* payable under the relevant Loan Agreement applicable at the Calculation Date;
- i* means the relevant Discount Rate;
- D<sub>t</sub>* means the sequential number of Instalment between the due date of the Instalment number "*t*" and the Calculation Date;
- t* means the sequential number of an Instalment (where, for the avoidance of doubt, "1" means the first Instalment payable under the Loan Agreement from which such Receivable arises and "N" means the final Instalment).

**"Discount Rate"** means, for each Receivable, the higher of (i) 6.75% and (ii) the relevant contractual interest rate.

**"Interest Shortfall"** means, on any Calculation Date, the difference (if negative) between (a) the amount of the Issuer Interest Available Funds (other than the amounts referred to under items (b) and (c) of such definition), and (b) the amount of the Issuer Interest Available Funds that would have been necessary to cover the payments to be made under items (i) to (v) of the Pre-Trigger Notice Interest Priority of Payments on the immediately following Payment Date.

#### **Priorities of Payments prior to the delivery of a Trigger Notice**

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

Prior to the delivery of a Trigger Notice and in the event of early redemption of the Notes in accordance with Senior Notes Condition 8.3 and Senior Notes Condition 8.4, the Issuer Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (the **"Pre-Trigger Notice Interest Priority of Payments"**):

- (i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent

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

- (ii) *Second*, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (iii) *Third*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;
- (iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred by the relevant agent on such Payment Date, to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer;
- (v) *Fifth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;
- (vi) *Sixth*, on any Payment Date until repayment in full of the Senior Notes, to credit into the Reserve Account the amount (if any) necessary to bring the balance of such account up to (but not in excess of) the Required Reserve Amount;
- (vii) *Seventh*, to transfer on the Payments Account as Issuer Principal Available Funds an amount equal to the Principal Shortfall as at the immediately preceding Calculation Date;
- (viii) *Eighth*, to transfer on the Payments Account as Issuer Principal Available Funds an amount equal to the amount (if any) paid under item (i) of the Pre-Trigger Notice Principal Priority of Payments on any preceding Payment Date and not yet repaid pursuant to this item;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on each Drawing of the Subordinated Loan (if any);
- (x) *Tenth*, to reimburse, *pari passu* and *pro rata*, all amounts of principal due and payable under the Subordinated Loan (if any);
- (xi) *Eleventh*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof (i) to the Originator any amount due and payable under the Transaction

Documents (including any Accrued Interest due and payable to the Originator in accordance with the provisions of the Master Receivables Transfer Agreement and any indemnity amount payable to the Originator as Initial Junior Noteholder pursuant to the Junior Notes Subscription Agreement), to the extent not already paid or payable under other items of this Priority of Payments or of the Pre-Trigger Notice Principal Priority of Payments, (ii) to the Initial Senior Noteholder, any indemnity amount payable to it pursuant to the Senior Notes Subscription Agreement, and (iii) to the relevant agent, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable as indemnities on such Payment Date to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer;

(xii) *Twelfth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;

(xiii) *Thirteenth*, to pay, *pari passu* and *pro rata*, any Variable Return on the Class J Notes.

**Principal Priority of Payments prior to the delivery of a Trigger Notice**

Prior to the delivery of a Trigger Notice and in the event of early redemption of the Notes in accordance with Senior Notes Condition 8.3, Senior Notes Condition 8.4 and Senior Notes Condition 8.5, the Issuer Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (the "**Pre-Trigger Notice Principal Priority of Payments**"):

(i) *First*, on any Payment Date, if the Issuer Interest Available Funds are not sufficient to cover such payments, to pay any amount due under items (i) to (v) of the Pre-Trigger Notice Interest Priority of Payments;

(ii) *Second*, on any relevant Payment Date, to pay to the Originator any amount due as Purchase Price for any Additional Portfolio;

(iii) *Third*, during the Revolving Period, (a) upon exercise by the Class A Noteholders of the option to redeem the Notes pursuant to Condition 8.5 (*Optional Redemption of the Class A Noteholders*), to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes on such Payment Date, otherwise (b) to transfer to the Payment Account any residual amount after payments under items (i) and (ii) above on such Payment Date;

(iv) *Fourth*, upon termination of the Revolving Period, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes on such Payment Date;

- (v) *Fifth*, to pay to the Originator any Adjustment Purchase Price, due in accordance with the Master Receivables Transfer Agreement;
- (vi) *Sixth*, upon repayment in full of the Senior Notes, to pay to the Originator any amount due and payable under the Transaction Documents;
- (vii) *Seventh*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, any amount due and payable under the Subordinated Loan, to the extent not paid under items (ix) or (x) of the Pre-Trigger Notice Interest Priority of Payments;
- (viii) *Eighth*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Junior Notes;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the relevant agent, any amount due and payable as indemnities on such Payment Date to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer, to the extent not paid under item (xi) of the Pre-Trigger Notice Interest Priority of Payments;
- (x) *Tenth*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, any Variable Return on the Junior Notes.

**Priority of Payments  
following the delivery of a  
Trigger Notice**

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (the "**Post-Trigger Notice Priority of Payments**"):

- (i) *First*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due, and any proper costs and expenses incurred by the Representative of the Noteholders, under the provisions of, or in connection with, any of the Transaction Documents;
- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date, to the Account Bank, the Cash Manager,

the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer and the Master Servicer;

- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;
- (v) *Fifth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes, until the Class A Notes have been repaid in full;
- (vi) *Sixth*, to pay to the Originator any amount due and payable under the Transaction Documents (including any Accrued *Interest* due and payable to the Originator in accordance with the provisions of the Master Receivables Transfer Agreement);
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;
- (viii) *Eighth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class J Notes;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata*, any Variable Return on the Class J Notes.

#### 4 TRANSFER OF THE PORTFOLIO

##### **Initial Portfolio and Additional Portfolios**

The Initial Portfolio has been purchased by the Issuer on 13 July 2015. Additional Portfolios have been purchased thereafter by the Issuer in accordance with the provisions of the Master Receivables Transfer Agreement entered into on 13 July 2015 between the Originator and the Issuer (the "**Original Master Receivables Transfer Agreement**").

The Initial Portfolio and any Additional Portfolio (together, the "**Portfolio**") have been transferred to the Issuer without recourse (*pro soluto*) in accordance with the Securitisation Law and subject to the terms and conditions of the Original Master Receivables Transfer Agreement.

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

The Purchase Price in respect of the Initial Portfolio has been paid on the Issue Date using the net proceeds of the issuance of the Notes.

##### **Extension of the Revolving Period and purchase of an Additional Portfolio on the Restructuring Date**

As of the Restructuring Date, the Revolving Period will be extended up to the Payment Date falling in March 2024 pursuant to the Fourth Master Amendment Agreement. An Additional Portfolio has been purchased by the Issuer pursuant to the provisions of the Master Receivables Transfer Agreement as amended before the Restructuring Date

pursuant to the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement and the Purchase Price thereof will be funded through, *inter alia*, the proceeds of the increase of the nominal amount of the Senior Notes and the Junior Notes as of the Restructuring Date (the "**Increase Further Additional Portfolio**").

Following the Restructuring Date, sales of Additional Portfolios may take place during the Revolving Period (as extended as of the Restructuring Date) in accordance with the provisions of the Master Receivables Transfer Agreement. Following any such sale, the relevant Purchase Price will be funded, on the Payment Date immediately following the relevant Offer Date, through the Issuer Principal Available Funds available for such purposes under the applicable Priority of Payments, provided that no Purchase Termination Notice or Trigger Notice has been served pursuant to the Master Receivables Transfer Agreement or the Senior Notes Conditions, respectively.

The portion of Interest Instalments accrued on each Receivable as of the relevant Valuation Date but not yet due on such date pursuant to the relevant Loan Agreement (the "**Accrued Interest**"), has been included in the relevant Portfolio transferred to the Issuer pursuant to the Master Receivables Transfer Agreement. Upon collection of the relevant Accrued Interest, the Issuer shall pay such Accrued Interest back to the Originator on the immediately following Payment Date in accordance with the applicable Priority of Payments, subject to the terms and conditions of the Master Receivables Transfer Agreement.

## **Criteria**

Pursuant to the Master Receivables Transfer Agreement, the Originator will sell to the Issuer, and the Issuer will purchase from the Originator, all the Receivables arising from Loans, granted pursuant to the relevant Loan Agreements, which meet, as at the relevant Valuation Date, the following Common Criteria. The Master Receivables Transfer Agreement provides also for Specific Criteria for the selection of an Additional Portfolio, provided that such Specific Criteria cannot derogate to the Common Criteria.

### *Common Criteria*

- (a) are granted to individuals, self-employed or companies resident in Italy and which are not public administrations, part or employees of the commercial network of Renault or Nissan in Italy and, if individuals, are not directors or employees of the Renault group or of the Nissan group;
- (b) have been entirely granted by RCI and arise from Loan Agreements executed exclusively by RCI;
- (c) have been granted pursuant to Loan Agreements

- governed by Italian law;
- (d) have been granted pursuant to Loan Agreements denominated in Euro;
  - (e) whose principal, and interest (if applicable) is payable by the relevant borrower in monthly instalments and in relation to which the borrower has paid at least one instalment;
  - (f) are not guaranteed by the assignment to the lender of a fifth of the salary (*cessione del quinto dello stipendio*) or of the pension of the relevant borrower or assisted by a delegation of payment (*delegazione di pagamento*) issued by the relevant borrower to his/her employer in favour of the lender;
  - (g) are amortising loans with fixed interest rate or zero interest rate and the relevant amortising plan provides for the repayment in equal monthly instalments (except for the final instalment in respect of Loans with "balloon" instalment ("*Maxi-rata finale*") and have been granted for the purchase in Italy from an authorised dealer (*concessionario autorizzato*) or a branch of Renault S.A.S. or Nissan S.r.l. of a new vehicle of the Renault Group or of the Nissan Group, or of a used vehicle of any manufacturer's brand which may also provide for supplemental services and/or insurance services related to the relevant Loan;
  - (h) which have at least one residual instalment which has not yet become due;
  - (i) in relation to which no recovery activity and/or legal action *vis-à-vis* the relevant borrowers is in progress or in relation to which the relevant borrower has not notified to RCI its intention to early prepay the relevant Loan;
  - (j) in relation to which there are not any instalment in respect of principal or interest under the Loan which have not been paid by the relevant borrower when due;
  - (k) in relation to which the relevant maturity date does not fall after 31 March 2031;
  - (l) in relation to which the total number of instalments to be paid by the relevant borrower is not higher than 85;
  - (m) in relation to which the relevant borrower has already received the vehicle for the purchase of which the relevant Loan has been granted by RCI to the borrower;
  - (n) in relation to Balloon Loans only whose Receivables are included in each Additional Portfolio (excluding the

Receivables included in the Initial Portfolio), the ratio between (i) the "balloon" instalment ("*Maxi-rata finale*"), and (ii) the total amount granted to the relevant borrower under such Balloon Loan, does not exceed 65%,

with the exclusion of:

- (i) loans granted for the purchase of corporate vehicles fleet (*flotte auto aziendali*);
- (ii) loans whose payment terms and conditions have been subject to renegotiations between RCI and the relevant borrowers;
- (iii) loans in relation to which any of the events covered by the relevant insurance policy executed in relation thereto has occurred;
- (iv) receivables arising from the agreements for the granting and utilisation by the relevant borrower of credit cards issued in connection with the granting of the Loans;
- (v) loans in relation to which one or more final instalments set out in the relevant amortisation plan are not payable by the relevant borrower to RCI on the basis of particular conditions granted to it by RCI in the context of commercial programmes or promotional offers tendered by RCI to its customers (e.g. "*rottama la rata*" or other similar products);
- (vi) loans granted by RCI to Professionals for the purchase of used vehicles;
- (vii) loans which in the past have experienced an amount overdue as principal and interest higher than 6 (six) times the relevant instalment; and
- (viii) loans granted to Debtors to repay loans previously granted.

*Specific Criteria in relation to the Increase Further Additional Portfolio*

- (a) original term to maturity was more than five months;
- (b) original amount granted was more than Euro 1.000; and
- (c) that arise from Loans granted in the period between 30th June 2017 (included) and 5th January 2021 (included).

**Portfolio Concentration Criteria**

Pursuant to the Master Receivables Transfer Agreement, the Originator shall select the Receivables comprised in each Additional Portfolio (including the Increase Further Additional Portfolio) as to ensure that, as of the relevant Valuation Date,

the aggregate Portfolio (including the new Additional Portfolio object of the relevant Offer, the Initial Portfolio and each Additional Portfolio transferred to the Issuer pursuant to the Master Receivables Transfer Agreement on each preceding Transfer Date) complies with the following eligibility criteria of the portfolio:

- (i) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from Loans with "balloon" instalment ("*Maxi-rata finale*") would not exceed 25% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (ii) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from Loans granted for the purchase of used vehicles would not exceed 10% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (iii) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables owed by Corporate Debtors would not exceed 5% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (iv) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from No SDD Loans would not exceed 4% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (v) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables owed by Debtors resident in South Italy Regions would not exceed 25% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (vi) following the purchase of such Additional Portfolio, the Top Obligor Ratio would not exceed 0.05% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (vii) following the purchase of such Additional Portfolio, the Top 20 Obligor Ratio would not exceed 1% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (viii) following the purchase of such Additional Portfolio, the ratio between (i) the aggregate amount of the insurance premium in respect of the Insurance Policies funded through the Loans whose Receivables are included in the Portfolio (as of the date of disbursement of each such Loan), and (ii) the aggregate amount of

all Loans (as of the date of disbursement of each such Loan) whose Receivables are included in the Portfolio, would not exceed 15%;

- (ix) starting from the Calculation Date falling in January 2016, following the purchase of such Additional Portfolio, the ratio between (i) the aggregate amount of the insurance premium in respect of the Insurance Policies provided by RCI Malta and funded through the Loans whose Receivables are included in the Portfolio (as of the date of disbursement of each such Loan), and (ii) the aggregate amount of all Loans (as of the date of disbursement of each such Loan) whose Receivables are included in the Portfolio, would not exceed 7%.

#### **Purchase Termination Events**

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

- (i) *Breach of obligations by RCI*
  - (A) RCI, in any capacity, defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders and requiring the same to be remedied; or
  - (B) RCI, in any capacity, defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (A) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Senior Noteholders and requiring the

same to be remedied; or

(ii) *Breach of representations and warranties by RCI*

any of the representations and warranties given by RCI, in any capacity, under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or misleading in any material respect (which is relevant in the opinion of the Representative of the Noteholders), when made or repeated and such breach is not remedied; or

(iii) *Insolvency of the Originator*

an Insolvency Event occurs in respect of the Originator; or

(iv) *Winding up of the Originator*

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

(v) *No transfer of Additional Portfolios*

(A) the Originator becomes unable to transfer Additional Portfolios comprising receivables which comply with the Criteria or the Portfolio Concentration Criteria to the Issuer for three consecutive Payment Dates; or

(B) the Originator has not offered any Additional Portfolio to the Issuer for three consecutive Payment Dates for any reason whatsoever; or

(vi) *Breach of Performance Triggers*

(A) as at any Calculation Date, the 3 Month Average Delinquency Rate exceeds the Delinquency Rate Percentage for two consecutive Calculation Dates; or

(B) as at any Calculation Date, the Cumulative Net Default Rate exceeds the Cumulative Net Default Rate Percentage; or

(C) on any Calculation Date the balance of the Payment Account exceeds 15% of the Principal Amount Outstanding of the Notes;

(D) on any Calculation Date, there are insufficient Issuer Interest Available Funds to cover the Principal Shortfall in accordance with the Pre-Trigger Notice Interest Priority of Payments on the immediately following Payment Date; or

(vii) *Termination of RCI's appointment as Servicer*

the Issuer has terminated the appointment of RCI as Servicer following the occurrence of a Servicer's Termination Event in accordance with the provisions of the Servicing Agreement; or

(viii) *Reserve Amount*

the Reserve Amount falls below the Required Reserve Amount; or

(ix) *Trigger Notice*

a Trigger Notice has been served on the Issuer,

then the Originator and/or the Representative of the Noteholders shall, immediately upon becoming aware of the occurrence of the relevant Purchase Termination Event, deliver a written notice (a "**Purchase Termination Notice**") to the Issuer (copied to the Representative of the Noteholders, should such notice be delivered by the Originator) and the Rating Agencies. After the service of a Purchase Termination Notice, the Issuer shall refrain from purchasing any Additional Portfolios under the Master Receivables Transfer Agreement.

## **Servicing of the Portfolio**

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

Pursuant to the Servicing Agreement, the Servicer has undertaken, *inter alia*, to prepare, on a monthly basis, the Loan-by-Loan Database, in the form which will be set out in the Servicing Agreement, providing key information relating to the amortisation of the Portfolio and the Servicer's activity during the relevant preceding period, including, without limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections and Recoveries during the relevant preceding period and a performance analysis.

In addition, pursuant to the Servicing Agreement, RCI Banque Italy has appointed Zenith, to act as its sub-agent, in order to perform the activities provided for thereunder, in the name and on behalf of the Servicer and in the interest of the Issuer and the Noteholders (the "**Master Servicer**").

In particular, the Master Servicer shall prepare, on a monthly basis, and submit to, *inter alia*, the Issuer, the Servicer's Report, in the form which will be set out in the Servicing Agreement, subject to receipt of the Loan-by-Loan Database and any other necessary information in relation to the Portfolio from the Servicer. Furthermore, pursuant to the Servicing Agreement, the Servicer shall prepare, on a quarterly basis, and deliver to the Calculation Agent and the Reporting Entity the Transparency Loan Report setting out the information

required by Article 7(1)(a) of the Securitisation Regulation and the Regulatory Technical Standards.

Pursuant to the Servicing Agreement, the Servicer shall transfer all amounts received or recovered by it in respect of the Receivables to the Collection Account of the Issuer within 1 Business Day of the date on which the Servicer has received such amounts. To this purpose, the Servicing Agreement contains certain undertakings of the Servicer in respect of the Collections and the management of the bank accounts of the Servicer into which the Collections are credited, including *inter alia*, that, on any such bank account, the Collections are maintained separate from other funds belonging to the Servicer and/or third parties.

#### **Warranties and indemnities**

In the Warranty and Indemnity Agreement, entered into on the Effective Date, the Originator has made in respect of the Initial Portfolio and will make from time to time in respect of each Additional Portfolio (including the Increase Further Additional Portfolio transferred to the Issuer on or about the Restructuring Date), certain representations and warranties to the Issuer in relation to, *inter alia*, the Receivables and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties.

## **5 OTHER TRANSACTION DOCUMENTS AND CREDIT STRUCTURE**

#### **Intercreditor Agreement**

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that RCI Banque Italy is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Restructuring Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation. In addition, each of the Issuer and the Originator has agreed that RCI Banque Italy is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27, paragraph 1, of the

## Securitisation Regulation.

### **Cash Allocation, Management and Payments Agreement**

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

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

In addition, pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent has undertaken to prepare and deliver to the Reporting Entity the Transparency Investors' Report and the Significant Event Report in accordance with the provisions set out thereunder.

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

### **Mandate Agreement**

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

### **Corporate Services Agreement**

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

### **Quotaholder's Agreement**

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

### **Deed of Pledge**

Under the terms of the Deed of Pledge (as supplemented by the Supplemental Deed of Pledge, the Second Supplemental Deed of Pledge and the Third Supplemental Deed of Pledge), the Issuer has granted to the Representative of the

Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Creditors) a pledge over certain monetary rights to which the Issuer is entitled from time to time pursuant to certain Transaction Documents to which the Issuer is a party.

**Subordinated Loan Agreement**

Pursuant to the Subordinated Loan Agreement entered into between the Issuer and the Loan Provider on 14 May 2020, the Loan Provider agreed to make available to the Issuer a loan in one or more drawings for the purpose of cover any shortfall in the Issuer Available Funds deriving from the Moratorium granted by the Issuer with respect to the Loan Agreements.

**Master Amendment Agreement**

Pursuant to the Master Amendment Agreement entered into on or about the Increase Date, the Issuer, the Representative of the Noteholders, RCI Banque Italy and the other parties involved in the Securitisation have agreed to carry out certain activities and to make certain amendments to the Transaction Documents.

In particular, under the Master Amendment Agreement provision has been made as to, *inter alia*:

- (a) the extension of the Revolving Period and the transfer to the Issuer of the Increase Additional Portfolio as of the Increase Date;
- (b) the increase of the notional amount of the Senior Notes as set out in the Conditions;
- (c) the subscription and payment for the increase of the notional amount of the Senior Notes on the Increase Date;
- (d) the payment of the Purchase Price of the Increase Additional Portfolio by the Issuer on the Increase Date out of the proceeds of the increase of the Senior Notes;
- (e) the partial early redemption of the Junior Notes for an amount equal to € 53,300,000.00; and
- (f) certain amendments to the Transaction Documents.

**Second Master Amendment Agreement**

Pursuant to the Second Master Amendment Agreement entered into on 14 May 2020, the Issuer, the Representative of the Noteholders, RCI Banque Italy and the other parties involved in the Securitisation have agreed to make certain amendments to the Transaction Documents in order to provide the terms for granting by the Issuer of the Moratorium in respect of the Loan Agreements.

**Third Master Amendment Agreement**

Pursuant to the Third Master Amendment Agreement entered into on 24 February 2021, the Issuer, the Representative of the Noteholders, RCI Banque Italy and RCI Banque SA have agreed to carry out certain amendments to the Master Receivables Transfer Agreement and the Warranty and

Indemnity Agreement which were necessary in connection with the transfer to the Issuer of the Increase Further Additional Portfolio so as to, *inter alia*, make the Securitisation compliant with the STS Requirements provided for by article 19 et seq of the Securitisation Regulation.

#### **Fourth Master Amendment Agreement**

Pursuant to the Fourth Master Amendment Agreement entered into on or about the Restructuring Date, the Issuer, the Representative of the Noteholders, RCI Banque Italy and the other parties involved in the Securitisation have agreed to carry out certain activities and to make certain amendments to the Transaction Documents.

In particular, under the Fourth Master Amendment Agreement provision has been made as to, *inter alia*:

- (a) the extension of the Revolving Period;
- (b) the increase of the notional amount of the Senior Notes and the Junior Notes;
- (c) the subscription and payment for the increase of the notional amount of the Senior Notes and the Junior Notes on the Restructuring Date;
- (d) the payment of the Purchase Price of the Increase Further Additional Portfolio by the Issuer on the Restructuring Date out of the proceeds of the increase of the Notes; and
- (e) certain amendments to the Transaction Documents to make the Securitisation compliant with the STS Requirements provided for by article 19 et seq. of the Securitisation Regulation.

## **6 ISSUER'S ACCOUNTS**

#### **Collection Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Collection Account with the Account Bank. Pursuant to the terms and conditions of the Servicing Agreement, the Servicer shall transfer within 1 (one) Business Day from receipt thereof to the Collection Account all the amounts received or recovered in respect of the Receivables. In addition, all amounts due to the Issuer under any of the Transaction Documents will be paid into the Collection Account.

#### **Payments Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Payments Account with the Account Bank. On each Payment Date, payments will be made out of the Payments Account with the applicable Priority of Payments, as set out in the Payments Report.

#### **Reserve Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Cash Reserve Account with the Account Bank. On the Issue Date, the

Reserve Initial Amount has been credited to the Reserve Account, out of the proceeds from the issuance of the Junior Notes. Thereafter, on any Payment Date before the delivery of a Trigger Notice, if the Reserve Amount becomes lower than the Required Reserve Amount, the Issuer shall credit available amounts to the Reserve Account in accordance with the relevant Priority of Payments, in order to replenish the Reserve Account up to the Required Reserve Amount.

#### **Expenses Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Expenses Account with the Account Bank into which, on the Issue Date, the Retention Amount will be credited.

During each Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses.

To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account in accordance with the relevant Priority of Payments.

#### **Securities Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to (i) open and, subject to the terms and conditions thereof and in accordance with the Intercreditor Agreement, maintain with the Account Bank the Securities Account, and (ii) extend the Security created pursuant to the Deed of Pledge to such Securities Account in accordance with the terms and conditions provided for thereunder, in the event that any Eligible Investment made by the Cash Manager in accordance with the provisions of the Cash Allocation, Management and Payments Agreement is represented by securities and other financial instruments. The Securities Account will be opened by the Issuer with the prior written consent of the Representative of the Noteholders and provided that prior written notice has been given to the Rating Agencies in respect thereof.

#### **Eligible Institution**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to maintain each of the Collection Account, the Payments Account, the Reserve Account and the Expenses Account (together, the "**Issuer's Accounts**") with the Account Bank for as long as the Account Bank is an Eligible Institution.

"**Eligible Institution**" means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

- (a) whose unsecured and unsubordinated debt obligations have the following ratings:
  - (i) with respect to DBRS:
  - (x) a long-term public or private rating at

least equal to "A"; or

- (y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or
- (z) such other rating as may from time to time comply with DBRS' criteria; and
- (ii) with respect to Moody's, a long-term rating at least equal to "Baa2" or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term rating by Moody's; or
- (b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

### **Eligible Investments**

**"Eligible Investments"** means:

- (a) any Euro denominated senior (unsubordinated) debt securities or other debt instruments having the following ratings:
  - (i) with respect to DBRS:
    - (x) if such investments have a maturity date equal to or lower than 30 days:
      - (1) a short-term public or private rating at least equal to "R-1 (low)" in respect of short term debt or a long-term public or private rating at least equal to "A" in respect of long-term debt, or
      - (2) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "A" in respect of long-term debt; or
    - (y) such other rating as may from time to time comply with DBRS' criteria; and
  - (ii) with respect to Moody's, if such investments have a maturity date lower than 30 calendar days, a short-term public rating at least equal to "P-1" and a long-term public rating at least equal to "A2",

provided that such investments (i) are in dematerialised form; (ii) are immediately repayable on demand, disposable without any penalty or any loss; (iii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iv) in case of downgrading below the rating levels set out above, shall be

liquidated within 3 days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (v) have a maturity date not exceeding the Eligible Investment Maturity Date; or

- (b) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an Eligible Institution provided that such investments (i) are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling no later than the immediately following Eligible Investment Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) shall be transferred, within 30 calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at cost of the account bank with which the relevant deposits were held; and (iv) the deposits shall be in Euro, held in Italy and subject to a first ranking security in favour of the Noteholders and the Other Issuer Creditors,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities, or (iv) any other instrument from time to time specified in the European Central Bank monetary policy regulations as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested.

**"Eligible Investments Maturity Date"** means each day falling no later than two Business Days before each Payment Date.

## THE PORTFOLIO

Pursuant to the Master Receivables Transfer Agreement, the Issuer has purchased the Initial Portfolio and, subject to the conditions set forth therein, shall purchase Additional Portfolios from the Originator, together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments of any of the Receivables.

Furthermore, the Issuer has purchased from the Originator:

- (i) the Increase Additional Portfolio pursuant to the Master Receivables Transfer Agreement, the Master Amendment Agreement and the Increase Additional Portfolio Transfer Agreement on or about the Increase Date; and
- (ii) the Increase Further Additional Portfolio pursuant to the Master Receivables Transfer Agreement, the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement on or about the Restructuring Date,

together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments of any of the Receivables.

On 5 February 2021, the Issuer and the Originator entered into a repurchase agreement pursuant to which certain Receivables comprised in the Portfolio which as at 1 February 2021 were exposures in default or exposures to a credit-impaired debtor or guarantor within the terms of Article 20(11) of the Securitisation Regulation have been re-transferred by the Issuer to the Originator in accordance with the terms set out thereunder.

The Receivables comprised in the Initial Portfolio, in the Increase Additional Portfolio, in the Increase Further Additional Portfolio and in any Additional Portfolio arise out of personal loans contracts, granted by the Originator for the purchase of auto-vehicles by the relevant Debtors, classified as at the relevant Valuation Date as performing by the Originator.

The Receivables comprised in the Portfolio will be selected on the basis of (i) certain common objective criteria listed in Exhibit 1 to the Master Receivables Transfer Agreement (the "**Common Criteria**") which shall apply to the Initial Portfolio, the Increase Additional Portfolio, the Increase Further Additional Portfolio and to any Additional Portfolio, and (ii) certain further objective criteria listed in Exhibit 2 to the Master Receivables Transfer Agreement (the "**Specific Criteria**"). The Specific Criteria are divided into "**Part A Specific Criteria**", which have been applied to the Initial Portfolio, and "**Part B Specific Criteria**", which may or may not supplement the Common Criteria at the option of the Originator and the Issuer in respect of any Additional Portfolio (including the Increase Additional Portfolio).

Pursuant to the Master Receivables Transfer Agreement, further objective criteria (the "**Additional Criteria**") and, together with the Common Criteria and the Specific Criteria, the "**Criteria**") may be agreed between the Issuer and the Originator from time to time to supplement the Specific Criteria in the selection of any Additional Portfolio. Furthermore, pursuant to the Master Receivables Transfer Agreement, the Originator shall select the Receivables comprised in each Additional Portfolio as to ensure that, as of the relevant Valuation Date, the aggregate Portfolio (including the new Additional Portfolio object of the relevant Offer, the Initial Portfolio and each Additional Portfolio transferred to the Issuer pursuant to the Master Receivables Transfer Agreement on each preceding Transfer Date) complies with the certain eligibility criteria listed in Exhibit 2, Part B to the Master Receivables Transfer Agreement (the "**Portfolio Concentration Criteria**").

Each Receivable is purchased by the Issuer applying a Discount Rate equal to the higher of (i) 6.75% and (ii) the relevant interest contractual rate. In such a way the Issuer can rely on a minimum yield on the entire Portfolio not lower than 6.75%, thus mitigating the interest rate risk related to the Notes, bearing a fixed rate equal to 0.75% in respect of the Senior Notes and 1.25% plus an additional Variable Return representing the excess spread available from time to time, if any, in respect of the Junior Notes.

As at 10 February 2021 (the "**Valuation Date of the Increase Further Additional Portfolio**"), the aggregate

of the Individual Purchase Price of all Receivables comprised in the Portfolio amounted to € 879,971,635.15.

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

As at the Restructuring Date, the level of collateralisation is equal to 13%.

## **The Criteria**

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

### Common Criteria

All the Receivables originated by RCI Banque S.A., Italian branch ("**RCI**"), arising from Loans, granted pursuant to the relevant Loan Agreements, that as of the Valuation Date satisfy the following criteria:

- (a) are granted to individuals, self-employed or companies resident in Italy and which are not public administrations, part or employees of the commercial network of Renault or Nissan in Italy and, if individuals, are not directors or employees of the Renault group or of the Nissan group;
- (b) have been entirely granted by RCI and arise from Loan Agreements executed exclusively by RCI;
- (c) have been granted pursuant to Loan Agreements governed by Italian law;
- (d) have been granted pursuant to Loan Agreements denominated in Euro;
- (e) whose principal, and interest (if applicable) is payable by the relevant borrower in monthly instalments and in relation to which the borrower has paid at least one instalment;
- (f) are not guaranteed by the assignment to the lender of a fifth of the salary (*cessione del quinto dello stipendio*) or of the pension of the relevant borrower or assisted by a delegation of payment (*delegazione di pagamento*) issued by the relevant borrower to his/her employer in favour of the lender;
- (g) are amortising loans with fixed interest rate or zero interest rate and the relevant amortising plan provides for the repayment in equal monthly instalments (except for the final instalment in respect of Loans with "balloon" instalment ("Maxi-rata finale")) and have been granted for the purchase in Italy from an authorised dealer (concessionario autorizzato) or a branch of Renault S.A.S. or Nissan S.r.l. of a new vehicle of the Renault Group or of the Nissan Group, or of a used vehicle of any manufacturer's brand which may also provide for supplemental services and/or insurance services related to the relevant Loan;
- (h) which have at least one residual instalment which has not yet become due;
- (i) in relation to which no recovery activity and/or legal action vis-à-vis the relevant borrowers is in progress or in relation to which the relevant borrower has not notified to RCI its intention to early prepay the relevant Loan;
- (j) in relation to which there are not any instalment in respect of principal or interest under the Loan which have not been paid by the relevant borrower when due;
- (k) in relation to which the relevant maturity date does not fall after 31 March 2031;
- (l) in relation to which the total number of instalments to be paid by the relevant borrower is not higher than 85;

- (m) in relation to which the relevant borrower has already received the vehicle for the purchase of which the relevant Loan has been granted by RCI to the borrower;
- (n) in relation to Balloon Loans only whose Receivables are included in each Additional Portfolio (excluding the Receivables included in the Initial Portfolio), the ratio between (i) the "balloon" instalment ("*Maxi-rata finale*"), and (ii) the total amount granted to the relevant borrower under such Balloon Loan, does not exceed 65%,

with the exclusion of:

- (i) loans granted for the purchase of corporate vehicles fleet (*flotte auto aziendali*);
- (ii) loans whose payment terms and conditions have been subject to renegotiations between RCI and the relevant borrowers;
- (iii) loans in relation to which any of the events covered by the relevant insurance policy executed in relation thereto has occurred;
- (iv) receivables arising from the agreements for the granting and utilisation by the relevant borrower of credit cards issued in connection with the granting of the Loans;
- (v) loans in relation to which one or more final instalments set out in the relevant amortisation plan are not payable by the relevant borrower to RCI on the basis of particular conditions granted to it by RCI in the context of commercial programmes or promotional offers tendered by RCI to its customers (e.g. "*rottama la rata*" or other similar products);
- (vi) loans granted by RCI to Professionals for the purchase of used vehicles;
- (vii) loans which in the past have experienced an amount overdue as principal and interest higher than 6 (six) times the relevant instalment; and
- (viii) loans granted to Debtors to repay loans previously granted.

#### Specific Criteria in relation to the Initial Portfolio

All Receivables included in the Initial Portfolio arise from Loans, granted pursuant to the relevant Loan Agreements, that satisfy all the Common Criteria and the following Specific Criteria, as of the relevant Valuation Date:

- (a) original term to maturity was more than five months;
- (b) original amount granted was more than Euro 1.000;
- (c) that arise from Loans granted in the period between 5th August 2008 (included) and 28th April 2015 (included),

with the exclusion of:

- (i) receivables which arise from Balloon Loans granted after 23<sup>rd</sup> April 2014.

#### Specific Criteria in relation to the Additional Portfolio

All Receivables included in any Additional Portfolio arise from Loans, granted pursuant to the relevant Loan Agreements, that satisfy all the Common Criteria and one or more of the following Specific Criteria (as selected by the Originator), as of the relevant Valuation Date:

- (a) original term to maturity was more than a number months as specified in the relevant Offer;
- (b) original amount granted was more than an amount of Euro as specified in the relevant Offer;

- (c) that arise from Loans granted in a specific period as specified in the relevant Offer;
- (d) ID code ordered by ascending/descending, as set out in the relevant Offer;
- (e) payment method as specified in the relevant Offer;
- (f) type of financing credit as specified in the relevant Offer;
- (g) type of vehicle as specified in the relevant Offer;
- (h) type of customer as specified in the relevant Offer;
- (i) region of customer as specified in the relevant Offer.

#### Specific Criteria in relation to the Increase Further Additional Portfolio

All Receivables included in Increase Further Additional Portfolio arise from Loans, granted pursuant to the relevant Loan Agreements, that satisfy all the Common Criteria the following Specific Criteria, as of the relevant Valuation Date:

- (a) original term to maturity was more than five months;
- (b) original amount granted was more than Euro 1.000;
- (c) that arise from Loans granted in the period between 30th June 2017 (included) and 5th January 2021 (included).

#### Portfolio Concentration Criteria

Any Additional Portfolio may only be offered or purchased if, on the relevant Offer Date, all of the following criteria are satisfied with respect to the aggregate Portfolio:

- (i) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from Loans with "balloon" instalment ("*Maxi-rata finale*") would not exceed 25% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (ii) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from Loans granted for the purchase of Used Vehicles would not exceed 10% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (iii) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables owed by Corporate Debtors would not exceed 5% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (iv) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables arising from No SDD Loans would not exceed 4% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (v) following the purchase of such Additional Portfolio, the Outstanding Principal of the Performing Receivables owed by Debtors resident in South Italy Regions would not exceed 25% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (vi) following the purchase of such Additional Portfolio, the Top Obligor Ratio would not exceed 0.05% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (vii) following the purchase of such Additional Portfolio, the Top 20 Obligors Ratio would not exceed 1% of the Outstanding Principal of the Performing Receivables comprised in the Portfolio;
- (viii) following the purchase of such Additional Portfolio, the ratio between (i) the aggregate amount of the

insurance premium in respect of the Insurance Policies funded through the Loans whose Receivables are included in the Portfolio (as of the date of disbursement of each such Loan), and (ii) the aggregate amount of all Loans (as of the date of disbursement of each such Loan) whose Receivables are included in the Portfolio, would not exceed 15%;

- (ix) starting from the Calculation Date falling in January 2016, following the purchase of such Additional Portfolio, the ratio between (i) the aggregate amount of the insurance premium in respect of the Insurance Policies provided by RCI Malta and funded through the Loans whose Receivables are included in the Portfolio (as of the date of disbursement of each such Loan), and (ii) the aggregate amount of all Loans (as of the date of disbursement of each such Loan) whose Receivables are included in the Portfolio, would not exceed 7%.

### Characteristics of the Portfolio

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

The Loan Agreements included in the Portfolio (including the Increase Further Addition Portfolio) as of 10 February 2021 have the characteristics illustrated in the following tables.

|  |                  |
|--|------------------|
| Outstanding Principal of the Portfolio at nominal value              | 2,154,465,957.08 |
|  |                  |
| Outstanding Principal of the Performing Receivables at nominal value | 2,134,075,437.46 |
|  |                  |
| Outstanding Principal of the Performing Receivables at NPV           | 2,099,002,945.03 |
|  |                  |
| Average Borrower NPV in €  | 6,714.33         |
|  |                  |
| Average Loan NPV in €  | 6,635.82         |
|  |                  |
| Weighted Average Original Maturity (months)                          | 55.64            |
|  |                  |
| Weighted Average Remaining Maturity (months)                         | 32.34            |
|  |                  |
| Weighted Average Seasoning Maturity (months)                         | 22.97            |
|  |                  |
| Largest Obligor Concentration at NPV                                 | 81,528.09        |
|  |                  |
| Largest Obligor Concentration at NPV                                 | 0.004%           |

### Distribution by Status

| Status                 | N° of Contracts | Outstanding Principal at nominal value | Outstanding Principal at NPV |
|------------------------|-----------------|--|------------------------------|
| Performing Receivables | 316,416         | 2,134,075,437.46                       | 2,099,002,945.03             |
| Delinquent Receivables | 1,535           | 10,124,321.74                          | 9,945,843.00                 |
| Defaulted Receivables  | 1,406           | 10,266,197.88                          | 10,247,661.41                |

### Distribution by vehicle type

| Vehicle Type   | Number of Contracts | % by Number | OP by NPV        | % by NPV |
|----------------|---------------------|-------------|------------------|----------|
| New car loans  | 293,173             | 91.80%      | 1,976,926,336.90 | 93.29%   |
| Used car loans | 26,184              | 8.20%       | 142,270,112.54   | 6.71%    |

### Distribution by Loan type

| Loan Type | Number of Contracts | % by Number | OP by NPV        | % by NPV |
|-----------|---------------------|-------------|------------------|----------|
| Retail    | 274,105             | 85.83%      | 1,614,557,457.00 | 76.19%   |
| Balloon   | 45,252              | 14.17%      | 504,638,992.44   | 23.81%   |

### Distribution by Debtor type

| Customer Category | Number of Contracts | % by Number | OP by NPV        | % by NPV |
|-------------------|---------------------|-------------|------------------|----------|
| Corporate         | 14,771              | 4.63%       | 105,285,872.94   | 4.97%    |
| Private           | 304,586             | 95.37%      | 2,013,910,576.50 | 95.03%   |

### Distribution by payment method

| Payment Method | Number of Contracts | % by Number | Volume by NPV    | % by NPV |
|----------------|---------------------|-------------|------------------|----------|
| RID            | 304,728             | 95.42%      | 2,034,013,440.09 | 95.98%   |
| Other          | 14,629              | 4.58%       | 85,183,009.35    | 4.02%    |

### Distribution by Loan size

| Loan Size Band        | Number of Contracts | % by Number | OP by NPV      | % by NPV |
|-----------------------|---------------------|-------------|----------------|----------|
| Euro 0 to 2,500       | 103                 | 0.03%       | 86,044.62      | 0.00%    |
| Euro 2,501 to 5,000   | 2,130               | 0.67%       | 3,694,022.04   | 0.17%    |
| Euro 5,001 to 7,500   | 20,626              | 6.46%       | 63,952,034.18  | 3.02%    |
| Euro 7,501 to 10,000  | 78,984              | 24.73%      | 291,742,035.16 | 13.77%   |
| Euro 10,001 to 12,500 | 66,225              | 20.74%      | 356,964,819.57 | 16.84%   |
| Euro 12,501 to 15,000 | 53,246              | 16.67%      | 377,451,320.25 | 17.81%   |
| Euro 15,001 to 17,500 | 41,969              | 13.14%      | 366,504,892.13 | 17.29%   |
| Euro 17,501 to 20,000 | 27,079              | 8.48%       | 272,332,897.09 | 12.85%   |
| Euro 20,001 to 22,500 | 13,425              | 4.20%       | 162,984,464.71 | 7.69%    |
| Euro 22,501 to 25,000 | 8,060               | 2.52%       | 107,748,102.98 | 5.08%    |
| Greater Euro 25,000   | 7,510               | 2.35%       | 115,735,816.71 | 5.46%    |

### Distribution by original Loan maturity

| Original Maturity Band | Number of Contracts | % by Number | Volume by NPV  | % by NPV |
|------------------------|---------------------|-------------|----------------|----------|
| 07 to 12 months        | 72                  | 0.02%       | 102,495.95     | 0.00%    |
| 13 to 18 months        | 177                 | 0.06%       | 279,492.15     | 0.01%    |
| 19 to 24 months        | 7,932               | 2.48%       | 21,983,632.51  | 1.04%    |
| 25 to 30 months        | 397                 | 0.12%       | 1,235,473.40   | 0.06%    |
| 31 to 36 months        | 110,180             | 34.50%      | 629,712,136.53 | 29.71%   |
| 37 to 42 months        | 115                 | 0.04%       | 872,340.61     | 0.04%    |
| 43 to 48 months        | 64,715              | 20.26%      | 368,930,797.04 | 17.41%   |
| 49 to 54 months        | 155                 | 0.05%       | 996,185.56     | 0.05%    |

|                 |        |        |                |        |
|-----------------|--------|--------|----------------|--------|
| 55 to 60 months | 74,424 | 23.30% | 512,806,353.78 | 24.20% |
| 61 to 66 months | 328    | 0.10%  | 2,400,264.99   | 0.11%  |
| 67 to 72 months | 27,114 | 8.49%  | 230,226,287.57 | 10.86% |
| 73 to 78 months | 309    | 0.10%  | 2,604,074.79   | 0.12%  |
| > 78            | 33,439 | 10.47% | 347,046,914.56 | 16.38% |

### Distribution by seasoning

| Seasoning Band      | Number of Contracts | % by Number | Volume by NPV  | % by NPV |
|---------------------|---------------------|-------------|----------------|----------|
| 0 to 6 months       | 12,956              | 4.06%       | 131,946,674.07 | 6.23%    |
| 07 to 12 months     | 30,549              | 9.57%       | 300,770,574.51 | 14.19%   |
| 13 to 18 months     | 43,751              | 13.70%      | 372,048,888.38 | 17.56%   |
| 19 to 24 months     | 58,491              | 18.32%      | 464,508,810.87 | 21.92%   |
| 25 to 30 months     | 46,903              | 14.69%      | 320,484,911.04 | 15.12%   |
| 31 to 36 months     | 51,979              | 16.28%      | 243,977,165.81 | 11.51%   |
| 37 to 42 months     | 21,720              | 6.80%       | 113,180,856.26 | 5.34%    |
| 43 to 48 months     | 24,030              | 7.52%       | 84,775,371.85  | 4.00%    |
| 49 to 54 months     | 10,334              | 3.24%       | 40,439,248.88  | 1.91%    |
| 55 to 60 months     | 13,286              | 4.16%       | 29,395,410.16  | 1.39%    |
| 61 to 66 months     | 3,125               | 0.98%       | 11,016,502.74  | 0.52%    |
| 67 to 72 months     | 1,630               | 0.51%       | 3,958,398.10   | 0.19%    |
| more than 72 months | 603                 | 0.19%       | 2693,636.77    | 0.13%    |

### Distribution by remaining Loan maturity

| Remaining Maturity Band | Number of Contracts | % by Number | Volume by NPV  | % by NPV |
|-------------------------|---------------------|-------------|----------------|----------|
| 0 to 6 months           | 57,103              | 17.88%      | 123,562,368.14 | 5.83%    |
| 07 to 12 months         | 43,545              | 13.64%      | 186,760,627.08 | 8.81%    |
| 13 to 18 months         | 50,437              | 15.79%      | 295,861,805.84 | 13.96%   |
| 19 to 24 months         | 36,250              | 11.35%      | 221,632,399.17 | 10.46%   |
| 25 to 30 months         | 34,998              | 10.96%      | 273,172,341.49 | 12.89%   |
| 31 to 36 months         | 24,124              | 7.55%       | 203,445,301.33 | 9.60%    |
| 37 to 42 months         | 21,699              | 6.79%       | 209,597,779.32 | 9.89%    |
| 43 to 48 months         | 16,074              | 5.03%       | 168,140,233.47 | 7.93%    |
| 49 to 54 months         | 12,377              | 3.88%       | 141,728,002.40 | 6.69%    |
| 55 to 60 months         | 8,305               | 2.60%       | 100,072,454.30 | 4.72%    |
| 61 to 66 months         | 7,008               | 2.19%       | 90,703,319.30  | 4.28%    |
| 67 to 72 months         | 4,816               | 1.51%       | 65,865,759.64  | 3.11%    |
| > 72 months             | 2,621               | 0.82%       | 38,654,057.96  | 1.82%    |

### Region concentration

| Region                | Number of Contracts | % by Number | OP by NPV      | % by NPV |
|-----------------------|---------------------|-------------|----------------|----------|
| ABRUZZO               | 5,067               | 1.59%       | 33.788.326.21  | 1.59%    |
| BASILICATA            | 2,034               | 0.64%       | 13.046.579.78  | 0.62%    |
| CALABRIA              | 5,189               | 1.62%       | 33.574.624.95  | 1.58%    |
| CAMPANIA              | 16,312              | 5.11%       | 100.041.191.95 | 4.72%    |
| EMILIA ROMAGNA        | 28,433              | 8.90%       | 183.946.916.62 | 8.68%    |
| FRIULI VENEZIA GIULIA | 6,120               | 1.92%       | 42.054.666.78  | 1.98%    |
| LAZIO                 | 34,204              | 10.71%      | 233.968.217.34 | 11.04%   |
| LIGURIA               | 6,659               | 2.09%       | 43.012.153.18  | 2.03%    |
| LOMBARDIA             | 80,533              | 25.22%      | 535.342.223.88 | 25.26%   |
| MARCHE                | 7,800               | 2.44%       | 50.685.976.95  | 2.39%    |
| MOLISE                | 573                 | 0.18%       | 3.873.446.78   | 0.18%    |
| PIEMONTE              | 20,422              | 6.39%       | 143.660.472.86 | 6.78%    |
| PUGLIA                | 17,202              | 5.39%       | 123.880.407.65 | 5.85%    |
| SARDEGNA              | 10,028              | 3.14%       | 67.461.461.48  | 3.18%    |

|                        |        |       |                |       |
|------------------------|--------|-------|----------------|-------|
| SICILIA                | 16,824 | 5.27% | 109.587.864.90 | 5.17% |
| TOSCANA                | 31,575 | 9.89% | 202.673.524.64 | 9.56% |
| TRENTINO ALTO<br>ADIGE | 3,060  | 0.96% | 18.961.280.50  | 0.89% |
| UMBRIA                 | 3,966  | 1.24% | 24.603.115.74  | 1.16% |
| VALLE D'AOSTA          | 429    | 0.13% | 3.246.236.32   | 0.15% |
| VENETO                 | 22,927 | 7.18% | 151.787.760.93 | 7.16% |

### Distribution by Geographic Area

Geographical area is broken down according to table above: **Northern Italy**: Lombardia, Emilia Romagna, Piemonte, Veneto, Liguria, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta; **Central Italy**: Lazio, Toscana, Marche, Abruzzo, Umbria; **Southern Italy**: Sicilia, Campania, Puglia, Sardegna, Calabria, Basilicata, Molise.

| Region | Number of Contracts | % by Number | OP by NPV        | % by NPV |
|--------|---------------------|-------------|------------------|----------|
| Center | 82,612              | 25.87%      | 545,719,160.88   | 25.75%   |
| North  | 168,583             | 52.79%      | 1,122,011,711.07 | 52.95%   |
| South  | 68,162              | 21.34%      | 451,465,577.49   | 21.30%   |

### Pool Audit Report

Pursuant to article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, an appropriate and independent party has verified prior to the Restructuring Date, in respect of the Portfolio, (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of the Portfolio; (ii) the accuracy of the data disclosed in the sub-section headed "Characteristics of the Portfolio" above; and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Originator in relation to the Receivables comprised in the Portfolio with the Criteria that are able to be tested prior to the Restructuring Date.

## EXPECTED MATURITY AND AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS

The weighted average life of the Class A Notes refers to the average amount of time that will elapse from the Issue Date of the Class A Notes to the date of distribution of amounts of principal to the Noteholders.

The weighted average life of the Class A Notes will be influenced by, amongst other things, the rate at which the Receivables are repaid or reduced, which may be in the form of scheduled amortisation, prepayments or defaults. The weighted average life of the Class A Notes may also be influenced by factors like arrears.

The following table is prepared on the basis of certain assumptions, as described below:

- (a) the Class A Notes have been issued on the Issue Date of 23 July 2015 and have been increased on the Restructuring Date of 8 March 2020;
- (b) the first Payment Date following the Restructuring Date will be 8 April 2021 and thereafter each following Payment Date will be on the 8<sup>th</sup> calendar day of each month or, if such day is not a Business Day, the immediately following Business Day;
- (c) the relevant scheduled amortisation profile of the Receivables as of the relevant Valuation Date;
- (d) the Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;
- (e) the Receivables are fully performing and do not show any delinquencies or defaults;
- (f) the Receivables are not subject to loan restructuring;
- (g) no Receivables are repurchased by the Originator from the Issuer in any situation other than under (h) below;
- (h) the Originator will exercise its right to exercise the Clean-Up Call Option at the earliest Payment Date possible; and
- (i) Revolving Period commencing on the Initial Transfer Date and ending on the Payment Date falling in March 2024 (included).

The approximate weighted average life and principal payment windows of each Class A Notes, at various assumed rates of prepayment of the Receivables, would be as follows (with "CPR" being the constant prepayment rate):

| Class A Notes |                                     |                              |                        |
|---------------|-------------------------------------|------------------------------|------------------------|
| CPR           | Weighted Average Life<br>(in years) | First Principal Payment Date | Expected Maturity Date |
| 0%            | 4.20                                | 08/04/2024                   | 08/03/2027             |
| 5%            | 4.12                                | 08/04/2024                   | 08/01/2027             |
| 10%           | 4.04                                | 08/04/2024                   | 08/11/2026             |
| 15%           | 3.98                                | 08/04/2024                   | 08/09/2026             |

The exact average life of the Class A Notes cannot be predicted as the actual rate at which the Receivables will be repaid and a number of other relevant factors are unknown.

The average life of the Class A Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must, therefore, be viewed with considerable caution.

### Description of RCI Banque

RCI Banque is the holding of an international group of companies (the RCI Banque Group), principally involved in automobile financing and related services. It is a *société anonyme* incorporated under the laws of France, whose registered office is at 15, rue d'Uzès, 75002 Paris, registered with the Trade and Companies Register of Paris under number 306 523 358, and is licensed as a credit institution (*établissement de crédit*) in France by the *Autorité de Contrôle Prudentiel et de Résolution*. RCI Banque is a wholly-owned subsidiary of Renault S.A.S.

Renault was privatised on 15 July 1996. The French State owns 15.0% of Renault shares at year end 2013. In 1999, Renault acquired a 36.8% interest in Nissan and the RCI Banque Group acquired 100% of the European finance subsidiaries of Nissan in 5 countries (Germany, the United Kingdom, Italy, Spain and the Netherlands). As of today, Renault owns 44% of Nissan.

In 2016, RCI Banque becomes RCI Bank and Services. RCI Banque is adopting a new business identity by becoming RCI Bank and Services. Its corporate name, however, remains unchanged and is still RCI Banque SA.

# RCI BANK AND SERVICES<sup>1</sup> OVERVIEW

RCI Bank and Services provides a range of financial solutions and services to facilitate access to automobility for Alliance customers<sup>2</sup>. Taking into account each brand's specific characteristics and anticipating the new needs and automotive uses of their customers, RCI Bank and Services supports their marketing policies and works with them to win new customers and build loyalty.

RCI Bank and Services brings together three worlds: the automotive world through its history, banking through its business and services through its offerings. Every day, in 36 countries across the world, RCI Bank and Services supports the growth of the Alliance brands and their distribution networks, by offering their customers a comprehensive range of financing products, insurances and services.

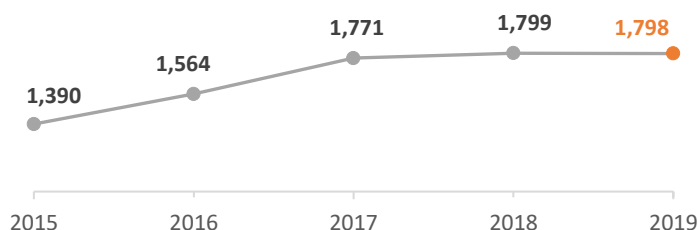
## TAILORED SOLUTIONS FOR EACH TYPE OF CUSTOMER BASE

We offer our **Retail customers** a range of financing solutions and services relevant to their projects and uses to facilitate, support and enhance the whole of their automobility experience. Our solutions and services apply to both new and used vehicles.

We provide our **Business customers** with a wide range of mobility solutions to relieve the pressure of vehicle fleet management and allow them to focus on their core business.

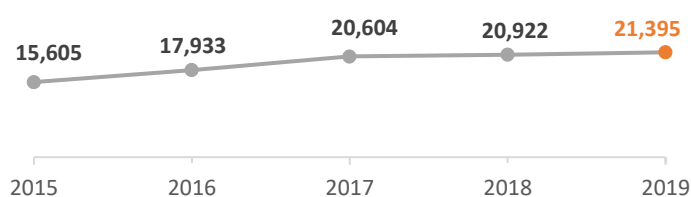
We deliver active support to Alliance brand **Dealers** financing inventories (of new vehicles, used vehicles and spare parts) and short-term cash requirements.

## TOTAL NUMBER OF VEHICLE CONTRACTS (IN THOUSANDS)



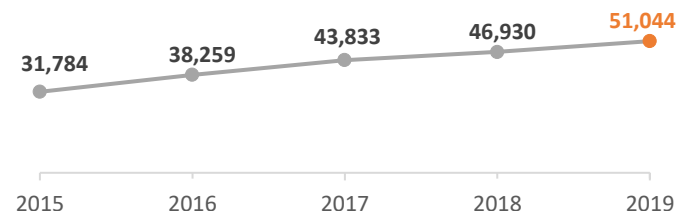
## NEW FINANCINGS

(EXCL. PERSONAL LOANS AND CREDIT CARDS/IN MILLIONS OF EUROS)



## NET ASSETS AT YEAR-END

(IN MILLIONS OF EUROS)



<sup>1</sup> RCI Bank and Services has been the company's trading name since February 2016. Its corporate name, however, remains unchanged and is still RCI Banque S.A.

<sup>2</sup> RCI Bank and Services supports the Groupe Renault's brands (Renault, Dacia, Alpine, Renault Samsung Motors, Lada) in the world, the Nissan Group's (Nissan, Infiniti, Datsun) mainly in Europe, in Brazil, in Argentina, in South Korea, and in the form of joint ventures in Russia and in India, as well as Mitsubishi Motors in the Netherlands.

## THE SAVINGS BANK BUSINESS, ONE OF THE PILLARS OF THE COMPANY'S REFINANCING

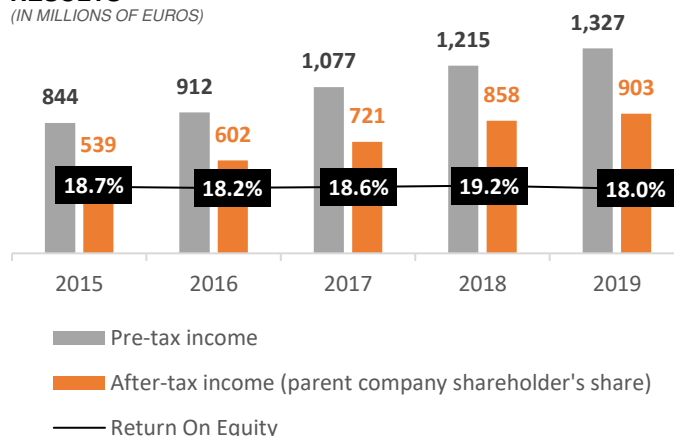
The Savings business was launched in 2012 and now operates in five markets, namely France, Germany, Austria, the United Kingdom and Brazil since March 2019. Savings deposits are a key instrument in the diversification of funding sources for its business. Deposits collected amounted to €17.7 billion, or approximately 35% of net assets at the end of December 2019.

## 3,700 EMPLOYEES ACROSS 36 COUNTRIES

Our employees operate all over the world alongside Alliance manufacturers: Europe; Americas; Africa - Middle-East - India and Pacific<sup>4</sup>; Eurasia.

## RESULTS

(IN MILLIONS OF EUROS)



<sup>3</sup> Net assets at year-end: net total outstandings + operating lease transactions net of depreciation and impairment.

<sup>4</sup> Change in the regional organization of Groupe Renault with effect from 1 May 2019: the creation of the new "Africa - Middle-East - India and Pacific" region is reflected in the RCI scope by the grouping of the former "Africa - Middle-East - India" and "Asia-Pacific" regions and now include Algeria, Morocco, India and South Korea.

<sup>5</sup> After-tax result was impacted by deferred tax income of €47 million at the end of 2018.

<sup>6</sup> Excluding the impact of deferred tax, ROE stood at 18.1% in 2018.

<sup>7</sup> Excluding the impact of start-ups, ROE was 17.6% in 2019 compared to 19.8% at in 2018.

# BUSINESS ACTIVITY 2019

**RCI Bank and Services posts a further increase in its sales performance for 2019 and keeps its goals on track. RCI Bank and Services confirms its position as a key strategic partner to the Alliance brands.**

RCI Bank and Services recorded strong sales performance with 1,798,432 contracts financed in 2019 (-469 contracts compared to 2018), despite a shrinking global automotive market, generating new financings of €21.4 billion, an increase of 2.3% compared to last year.

The group's Financing penetration rate thus came to 42.2%, a year-on-year increase of 1.5 points. Excluding Turkey, Russia and India (companies consolidated using the equity method), it came to 44.2%, against 42.9% in 2018.

Growth in the Used Vehicle Financing business line continued with 368,409 contracts financed, a 3.7% increase on 2018.

Average performing assets (APA)(1) came to €47.4 billion, showing 6.8% growth since 2018. Of this amount, €37.2 billion are directly attributable to the Retail Customer business, which posted a 9.4% rise.

A strategic pillar of the group, the Services business saw increased activity with a 5.2% growth in volumes against the previous year. The number of services sold in 2019 represented 5.1 million insurance policies and service contracts, of which 68% in customer- and vehicle-use related services.

The Europe Region posted strong sales results, achieving growth in the Financing penetration rate at 45.4%, compared with 44.9% last year.

In an unpredictable economic environment (mainly in Argentina), the Financing penetration rate in the Americas Region rose to 38.0%, up 3.0 points from 2018, driven by strong performances in Brazil and Colombia which recorded high penetration rates of 39.4% and 53.8% respectively.

The Financing penetration rate in the Africa - Middle-East - India and Pacific Region continued to rise to 40.9%, an increase of 3.6 points compared with 2018. In South Korea, over half of all new vehicles sold by Renault Samsung Motors were financed by RCI Bank and Services, resulting in excellent sales performance with a Financing penetration rate of 59.5%, an increase of 2.7 points. The Moroccan subsidiary also saw its Financing penetration rate rise by 3.5 points against last year, reaching 36.8%.

The Eurasia Region posted a Financing penetration rate of 29.7%, fueled in particular by strong performance in Romania, where the Financing penetration rate saw a strong improvement of 7.5 points to 33.2%. This was also the case in Russia, with a sharp 5.5-points rise in the Financing penetration rate compared to 2018, to 32.2%.

|                         | Financing penetration rate (%) |       | New vehicle contracts (thousands) |       | New financings excl. credit cards and personal loans (€m) |        | Net assets at year-end <sup>(2)</sup> (€m) |        | Of which Customer net assets at year-end (€m) |        | Of which Dealer network net assets at year-end (€m) |        |
|-------------------------|--------------------------------|-------|-----------------------------------|-------|---|--------|--|--------|---|--------|---|--------|
|                         | 2019                           | 2018  | 2019                              | 2018  | 2019  | 2018   | 2019                                       | 2018   | 2019  | 2018   | 2019  | 2018   |
| <b>EUROPE</b>           | <b>45.4%</b>                   | 44.9% | <b>1,342</b>                      | 1,350 | <b>17,898</b>   | 17,698 | <b>45,413</b>                              | 41,832 | <b>34,488</b>                                 | 31,668 | <b>10,925</b>                                       | 10,164 |
| of which Germany        | <b>44.3%</b>                   | 43.7% | <b>188</b>                        | 185   | <b>2,902</b>  | 2,785  | <b>8,418</b>                               | 7,472  | <b>6,805</b>                                  | 6,097  | <b>1,613</b>  | 1,375  |
| of which Spain          | <b>52.6%</b>                   | 54.6% | <b>154</b>                        | 166   | <b>1,842</b>  | 2,002  | <b>4,797</b>                               | 4,464  | <b>3,762</b>                                  | 3,637  | <b>1,035</b>  | 827    |
| of which France         | <b>49.3%</b>                   | 47.5% | <b>490</b>                        | 472   | <b>6,363</b>  | 6,030  | <b>15,579</b>                              | 14,324 | <b>11,788</b>                                 | 10,664 | <b>3,791</b>  | 3,660  |
| of which Italy          | <b>65.7%</b>                   | 63.4% | <b>210</b>                        | 203   | <b>3,030</b>  | 2,871  | <b>6,297</b>                               | 5,821  | <b>4,946</b>                                  | 4,450  | <b>1,351</b>  | 1,371  |
| of which United Kingdom | <b>29.3%</b>                   | 33.6% | <b>106</b>                        | 123   | <b>1,589</b>  | 1,804  | <b>4,781</b>                               | 4,680  | <b>3,800</b>                                  | 3,780  | <b>981</b>  | 900    |

|   |              |              |              |              |               |               |               |               |               |               |               |               |
|---|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| o/w other countries                     | 32.2%        | 31.9%        | 194          | 201          | 2,172         | 2,206         | 5,541         | 5,071         | 3,387         | 3,040         | 2,154         | 2,031         |
| <b>AFRICA-MIDDLE-EAST-INDIA-PACIFIC</b> | <b>40.9%</b> | <b>37.3%</b> | <b>119</b>   | <b>121</b>   | <b>1,240</b>  | <b>1,236</b>  | <b>2,168</b>  | <b>2,071</b>  | <b>2,036</b>  | <b>1,948</b>  | <b>132</b>    | <b>123</b>    |
| <b>AMERICAS</b>                         | <b>38.0%</b> | <b>35.0%</b> | <b>208</b>   | <b>202</b>   | <b>1,688</b>  | <b>1,464</b>  | <b>3,145</b>  | <b>2,769</b>  | <b>2,572</b>  | <b>2,182</b>  | <b>573</b>    | <b>587</b>    |
| of which Argentina                      | 21.0%        | 23.1%        | 20           | 38           | 74            | 143           | 189           | 314           | 97            | 185           | 92            | 129           |
| of which Brazil                         | 39.4%        | 38.3%        | 156          | 139          | 1,331         | 1,103         | 2,470         | 2,112         | 2,038         | 1,699         | 432           | 413           |
| of which Colombia                       | 53.8%        | 47.5%        | 33           | 25           | 282           | 217           | 486           | 343           | 437           | 298           | 49            | 45            |
| <b>EURASIA</b>                          | <b>29.7%</b> | <b>27.0%</b> | <b>128</b>   | <b>127</b>   | <b>569</b>    | <b>523</b>    | <b>318</b>    | <b>258</b>    | <b>303</b>    | <b>245</b>    | <b>15</b>     | <b>13</b>     |
| <b>TOTAL GROUPE RCI BANQUE</b>          | <b>42.2%</b> | <b>40.7%</b> | <b>1,798</b> | <b>1,799</b> | <b>21,395</b> | <b>20,922</b> | <b>51,044</b> | <b>46,930</b> | <b>39,399</b> | <b>36,043</b> | <b>11,645</b> | <b>10,887</b> |

(1) Figures refer to passenger car (PC) and light commercial vehicle (LCV) markets.

(2) Net assets at end: net total outstandings + operational lease transactions net of depreciation and impairment. Figures related to commercial activity (penetration rate, new contracts processed, new financings) include companies consolidated using equity method.

# CONSOLIDATED FINANCIAL HIGHLIGHTS 2019

In 2019, RCI Banque generated pre-tax income of €1,327 million. This record increase confirms the ability of RCI Bank and Services to maintain its profitable growth momentum.

## EARNINGS

Net banking income (NBI) increased 8.6% compared with 2018, to €2,096 million. This increase is attributable to the combined growth of the Financing activities (6.8% growth in average performing assets, APA) and growth in Services activities (+11.2% compared with the previous year), as well as the positive impact of the disposal of equity investments in mobility start-ups<sup>1</sup>.

Operating costs totaled €597 million, or 1.26% of APA, a 1-basis point increase compared with last year. With a cost-to-income ratio of 28.5%, RCI Banque evidences its ability to keep its operating costs under control, while supporting strategic projects and the growth of its business.

The cost of risk for the Customer business (financing for private and business customers) also remained under control at 0.47% of APA, against 0.51% in 2018. For the Dealer business (financing for dealerships), the cost of risk was negative as in 2018, at -0.09% of APA in 2019, against -0.33% the previous year. The total cost of risk, which includes the write-off of loans granted to the Marcel start-up in the amount of €11.4 million (0.02% of APA) remains stable at 0.37% of APA, compared with 0.33% in 2018, confirming a robust underwriting and collection policy.

Pre-tax income stood at €1,327 million, versus €1,215 million the previous year. Excluding the item linked to the sale of mobility start-ups to Renault MAI, pre-tax income rose by €62 million.

Consolidated net income - parent company shareholders' share - came to €903 million at end-December, against €858 million for 2018.

## BALANCE SHEET

Good commercial performances, especially in Europe, drove historic growth in net assets<sup>2</sup> at end-December 2019 to €51.0 billion, against €46.9 billion at end-December 2018 (+8.8%).

Consolidated equity amounted to €5,702 million, compared with €5,307 million at end-December 2018 (+7.4%).

Deposits from retail customers in France, Germany, Austria, the United Kingdom and Brazil<sup>3</sup> (sight and term deposits) totaled €17.7 billion at end-December 2019 against €15.9 billion at end-December 2018 and represented approximately 35% of net assets at end-December 2019.

## PROFITABILITY

ROE<sup>4</sup> amounted to 18.0%<sup>5</sup>, against 19.2%<sup>6</sup> in 2018.

## SOLVENCY

The total capital ratio<sup>7</sup> came to 16.87% at December 31, 2019 (of which Core Equity Tier One was 14.41%), against 15.48% at December 31, 2018 (of which Core Equity Tier One was 15.46%). The total capital ratio rose at the end of 2019 following the Tier 2 subordinated debt issue in the amount of €850 million. This issue strengthens RCI Banque regulatory capital in anticipation of the expected recalibration of the parameters of our internal models following the review conducted by the ECB<sup>8</sup> and the application of the EBA Guidelines on the definition of defaulted receivables.

### Consolidated income statement (in

| millions of euros)  | 12/2019      | 12/2018      | 12/2017      |
|---|--------------|--------------|--------------|
| Net banking income  | 2,096        | 1,930        | 1,628        |
| General operating expenses*   | (603)        | (575)        | (522)        |
| Cost of risk  | (177)        | (145)        | (44)         |
| Share in net income (loss) of associates and joint ventures         | 21           | 15           | 15           |
| Gain or loss on fixed assets**                                      | (2)          |              |              |
| Income (loss) on exposure to inflation***                           | (8)          | (10)         |              |
| <b>PRE-TAX INCOME</b>   | <b>1,327</b> | <b>1,215</b> | <b>1,077</b> |
| <b>CONSOLIDATED NET INCOME (parent company shareholders' share)</b> | <b>903</b>   | <b>858</b>   | <b>721</b>   |

\* Including: a provision for business exemptions and amortization and impairment on tangible and intangible assets.

\*\* Capital losses on the disposal of subsidiaries.

\*\*\* Restatement of the earnings of the Argentinean entities, now in hyperinflation accounting.

### Consolidated balance sheet

| (in millions of euros)  | 12/2019       | 12/2018       | 12/2017       |
|---|---------------|---------------|---------------|
| Total net outstandings of which                                 | 49,817        | 45,956        | 42,994        |
| Retail customer loans   | 24,733        | 23,340        | 21,609        |
| Finance lease rentals   | 13,439        | 11,729        | 10,437        |
| Dealer financing  | 11,645        | 10,887        | 10,948        |
| Operating lease transactions net of depreciation and impairment | 1,227         | 974           | 839           |
| Other assets  | 7,036         | 6,464         | 5,876         |
| Own equity (incl. net income for the year) of which             | 6,569         | 5,320         | 4,732         |
| Equity  | 5,702         | 5,307         | 4,719         |
| Subordinated debt   | 867           | 13            | 13            |
| Bonds   | 18,825        | 18,903        | 17,885        |
| Negotiable debt securities (CD, CP, BT, BMTN)                   | 1,948         | 1,826         | 1,182         |
| Securitization  | 3,243         | 2,780         | 2,272         |
| Customer savings accounts - Ordinary accounts                   | 13,003        | 12,120        | 11,470        |
| Customer term deposit accounts                                  | 4,708         | 3,743         | 3,464         |
| Banks, central banks and other lenders (including Schuldschein) | 6,374         | 5,849         | 5,854         |
| Other liabilities   | 3,410         | 2,853         | 2,850         |
| <b>BALANCE SHEET TOTAL</b>                                      | <b>58,080</b> | <b>53,394</b> | <b>49,709</b> |

<sup>1</sup> Flit Technologies (including Yuso), Marcel, RCI Mobility and iCabbi were sold in December 2019 to Renault M.A.I. (Mobility As an Industry), an entity created by Groupe Renault in October 2019 to accelerate its development in new mobilities and foster strategic partnerships. The positive impact of this disposal for 2019 was €34.1 million.

<sup>2</sup> Net assets at year-end: total net outstandings at year-end + operating lease transactions net of depreciation and impairment.

<sup>3</sup> The Savings business in Brazil was launched in March 2019.

<sup>4</sup> ROE (Return on equity) is calculated by dividing net income for the period by average net equity (excluding Income for the period).

<sup>5</sup> Excluding the impact of start-ups, ROE was 17.6% in 2019 compared to 19.8% in 2018.

<sup>6</sup> Excluding the impact of deferred taxes totaling €47 million, ROE stood at 18.1% in 2018.

<sup>7</sup> Ratio including the interim profits net of provisional dividends, subject to regulator's approval in accordance with Article 26 § 2 of Regulation (EU) 575/2013.

<sup>8</sup> On the models for which RCI Banque has received in 2019 a draft decision letter following an ECB inspection of the internal models (TRIMIX / IMI), the negative impacts on the capital ratio are estimated to 1.20%, of which a portion results from temporary add-ons. Additional headwinds may also arise on models for which ECB's findings have not yet been received.

# FINANCIAL POLICY

Over the course of 2019, the central banks announced more accommodating monetary policy measures than anticipated by the markets at the beginning of the year.

In the United States, the Federal Reserve reduced its key interest rates three times, thereby taking the Fed Funds target to between 1.50% and 1.75%.

The European Central Bank restarted its asset purchasing program, which it had ended in 2018, at a monthly pace of €20 billion. It also announced a new long-term refinancing operation (TLTRO III<sup>1</sup>). Furthermore, it reduced the rate on its deposit facility by 0.10% to -0.50% and introduced a two-tier system for remunerating excess reserve holdings with a view to reducing the share of deposits in the banking system carrying negative rates.

The Bank of England's base rate remained unchanged throughout the year at 0.75%.

The central bank's change in tone regarding monetary policies had an impact on investor perception of risk and drove the rise in the equity markets<sup>2</sup> and the tightening of credit spreads<sup>3</sup>.

Eurozone rates continued to fall until early September, before a partial upturn towards the end of the year. Following a historic low in September of -0.54%, the 5-year swap rate ended the year at -0.10%, 30 bps lower than in December 2018.

RCI Banque issued the equivalent of €2.9 billion in senior public bond format. The group successively launched five and a half years rate issue for €750 million, a dual-tranche issue for €1.4 billion (€750 million on a fixed rate over four years, €650 million on a fixed rate over seven years), and €600 million at a fixed rate over three and a half years. At the same time, the company issued a five-year fixed rate CHF200 million bond, a transaction that enabled it to both diversify its investor base and fund assets in that currency.

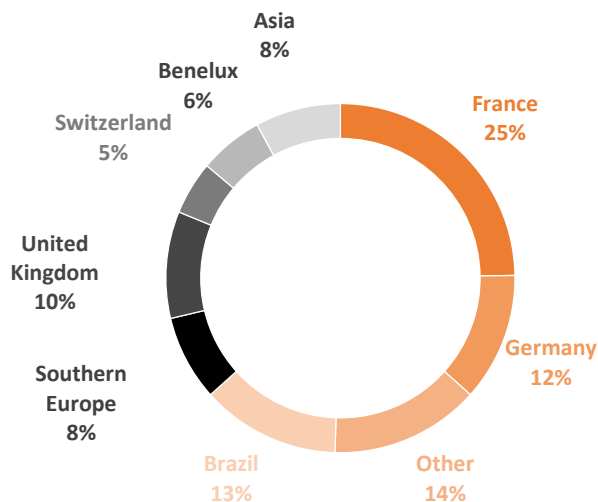
In addition, RCI Banque issued a Tier 2 subordinated bond in the amount of €850 million. This 10-year contractual maturity bond can be redeemed after 5 years and strengthens the capital ratio.

On the secured funding segment, RCI Banque issued a public securitization backed by car loans in Germany for €975.7 million, split between €950 million of senior securities and €25.7 million of subordinated securities.

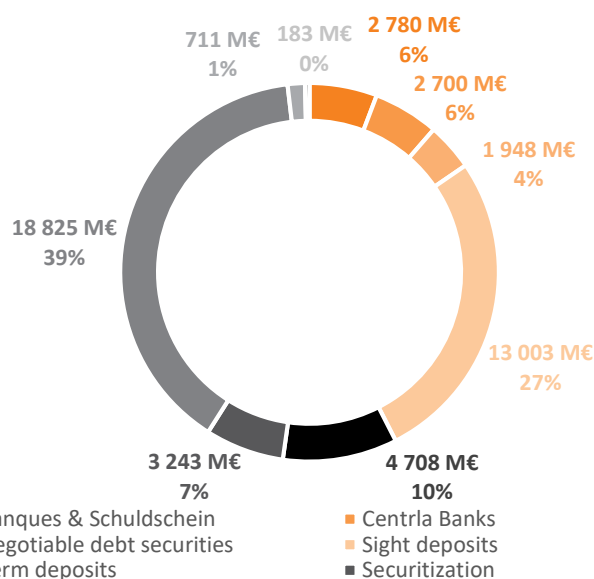
This combination of maturities and issue formats is part of the strategy implemented by the group over a number of years to diversify its sources of funding and reach as many investors as possible.

Retail customer deposits have increased by €1.8 billion since December 2018 and totaled €17.7 billion at 31 December 2019, representing 35% of net assets at the end of December.

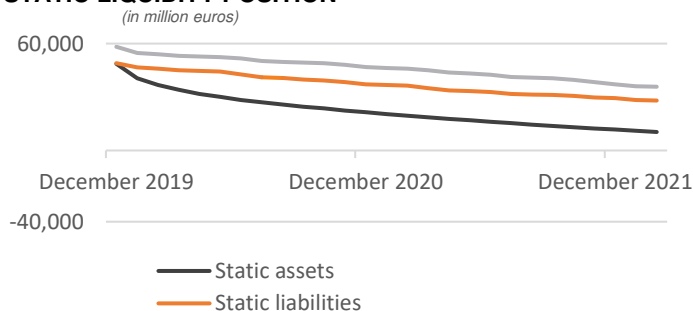
## GEOGRAPHICAL BREAKDOWN OF NEW RESOURCES WITH A MATURITY OF ONE YEAR OR MORE (EXCLUDING DEPOSITS AND TLTRO) as at 31/12/2019



## STRUCTURE OF TOTAL DEBT as at 31/12/2019



## STATIC LIQUIDITY POSITION<sup>(4)</sup>



<sup>1</sup> Targeted Longer-Term Refinancing Operations.

<sup>2</sup> Euro Stoxx 50 +24%.

<sup>3</sup> Iboxx Eur Non Financials -39 bps.

<sup>4</sup> Scope: Europe.

# FINANCIAL POLICY

These resources, to which should be added, based on the European scope, to €4.5 billion of undrawn committed credit lines, €2.4 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion in highly quality liquid assets (HQLA) as well as financial assets amounting to €0.5 billion, enable RCI Banque to maintain the financing granted to its customers over nearly 12 months without access to external liquidity.

In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

The strength of the group's balance sheet is also evidenced by very low market risks (interest rate, currency and counterparty risks), which are monitored daily on a consolidated basis.

RCI Banque's overall sensitivity to the interest rate risk remained below the €50 million limit set by the group.

At 31 December 2019, a 100-basis point rise in rates would have an impact on the group's net interest income (NII) of:

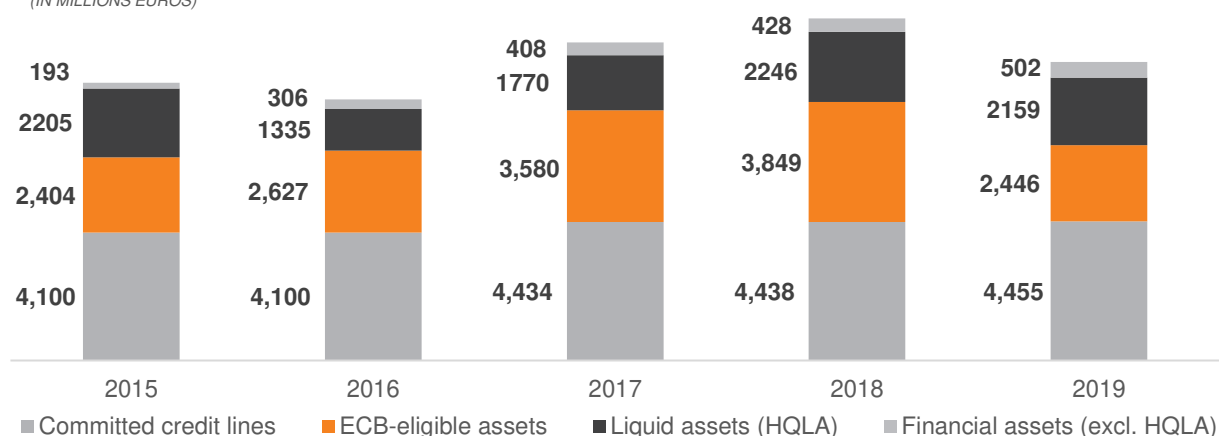
- -€1.0 m in EUR;
- -€0.5 m in BRL;
- +€0.5 m in KRW;
- +€0.9 m in GBP;
- +€0.2 m in PLN;
- -€0.2 m in CZK;
- -€0.8 m in CHF.

The absolute sensitivity values in each currency totaled €4.5m.

The groupe RCI Banque's consolidated<sup>(1)</sup> foreign exchange position totaled €6.3 million.

*(1) Foreign exchange position excluding holdings in the share capital of subsidiaries.*

## LIQUIDITY RESERVE<sup>(1)</sup> (IN MILLIONS EUROS)



### RCI Banque group's programs and issuances

The group's issuances are concentrated on eight issuers: RCI Banque, DIAC, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc, RCI Leasing Polska (Poland) and RCI Colombia S.A. Compañía de Financiamiento (Colombia).

| Issuer                                       | Instrument                             | Market       | Amount                     | S & P                  | Moody's                 | Other                                |
|--|--|--------------|----------------------------|------------------------|-------------------------|--------------------------------------|
| RCI Banque S.A.                              | Euro CP Program                        | euro         | €2,000 m                   | A-2 (negative outlook) | P2                      | R&I: A-1 (stable outlook)            |
| RCI Banque S.A.                              | Euro MTN Program                       | euro         | €23,000 m                  | BBB (negative outlook) | Baa1 (stable outlook)   | R&I: A- (stable outlook)             |
| RCI Banque S.A.                              | NEU CP <sup>(1)</sup> Program          | French       | €4,500 m                   | A-2 (negative outlook) | P2                      |                                      |
| RCI Banque S.A.                              | NEU MTN <sup>(2)</sup> Program         | French       | €2,000 m                   | BBB (negative outlook) | Baa1 (stable outlook)   |                                      |
| Diac S.A.                                    | NEU CP <sup>(1)</sup> Program          | French       | €1,000 m                   | A-2 (negative outlook) |                         |                                      |
| Diac S.A.                                    | NEU MTN <sup>(2)</sup> Program         | French       | €1,500 m                   | BBB (negative outlook) |                         |                                      |
| Rombo Compania Financiera S.A.               | Bond Program                           | Argentinian  | ARS6,000 m                 |                        | Ba2.ar (under revision) | Fix Scr: AA (arg) (negative outlook) |
| RCI Financial Services Korea Co Ltd          | Bonds                                  | South Korean | KRW1,610 bn <sup>(3)</sup> |                        |                         | KR, KIS, NICE: A+                    |
| Banco RCI Brasil S.A.                        | Bonds                                  | Brazilian    | BRL3,303 m <sup>(3)</sup>  |                        | Aaa.br (stable outlook) |                                      |
| RCI Finance Maroc                            | BSF Program                            | Moroccan     | MAD2,500 m                 |                        |                         |                                      |
| RCI Leasing Polska                           | Bond Program                           | Polish       | PLN500 m                   |                        |                         |                                      |
| RCI Colombia S.A. Compañía de Financiamiento | CDT: Certificado de Depósito a Término | Colombian    | COP630 bn <sup>(3)</sup>   | AAA.co                 |                         |                                      |

(1) Negotiable European Commercial Paper (NEU CP), new name for Certificates of Deposit.

(2) Negotiable European Medium-Term Note (NEU MTN), new name for Negotiable Medium-Term Notes.

(3) Outstandings.

### **Description of RCI Banque Italy**

The activity of RCI Banque in Italy dates back to 1964 when DIAC Italia S.p.A. (97% *Régie Nationale des Usines Renault* and 3% Renault Italy S.p.A.) was founded in Milan with the specific objective of developing the financing business for Renault vehicles in the Italian market. In 1971 the company head office was transferred to Rome, covering all Italian territory with 4 regional offices and 90 employees.

In addition to its car loan activity, the company started financing transactions with dealers in 1973 and leasing in 1976.

In 1984, Refactor (100% DIAC Italia) was set up as a factoring company, whose main activity consisted of managing non-performing receivables purchased both from DIAC Italia and from other companies operating in the consumer finance market.

In 1988 DIAC Italia changed its name to FinRenault (97.5% RCI Banque and 2.5% Renault Veicoli Industriali SpA) with 240 employees and 14 regional offices.

In 1991, RCI Banque became the single shareholder of FinRenault.

In 1998 Accordia S.p.A. (100% Finrenault) was set up in Rome as a company specialised in car loans activity but not linked to the Renault brand (Finrenault being the captive for Renault cars). In 2001, Accordia merged with both Finrenault and Nissan Finanziaria and changed its name to RNC S.p.A.

Overlease, a company founded in 1998 in joint venture with Europcar, is specialized in long-term rentals. Currently, the shareholder is LeasePlan (since merging with Europcar in 2006).

In May 2007, the Italian branch of RCI Banque and RNC merged, and the activities currently carried on by RNC have been transferred to the Italian branch of RCI Banque.

In July 2007, Refactor's activities have been insourced, and Refactor has been liquidated. RCI Banque Italy's stake in Overlease remains 49%

In 2009 start-up of Overlease's liquidation procedure (closing date: second half 2017).

In 2011, ES Mobility was created. This company, at 100% owned by RCI Banque S.A. France, rents electric vehicles batteries and is specialized in long-term rentals activity.

In 2017, RCI Banque has sold its parts (49%) in Overlease in liquidation.

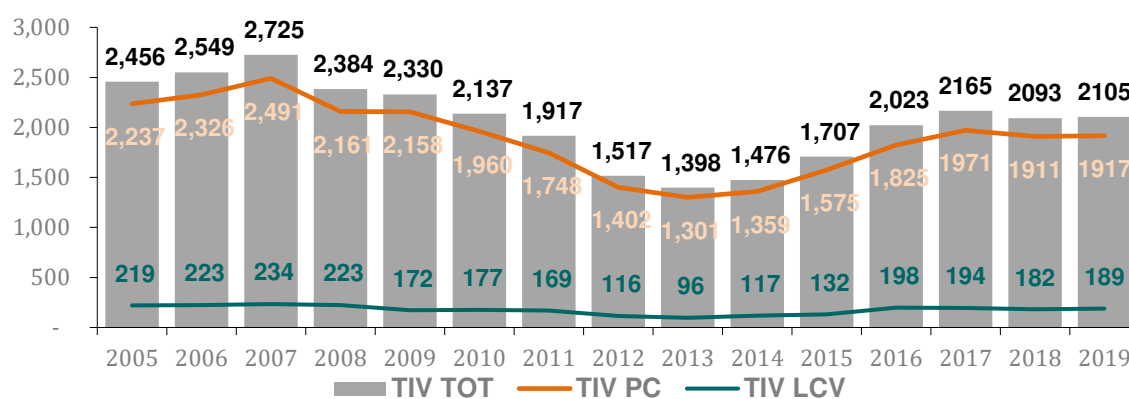
Both Overlease and ES Mobility are out of the scope of the contemplated securitization transaction.

At present, RCI Banque Italy's legal structure is shown on the following chart:



## Main Figures



Italian car market almost stable from 2016 to 2019 with more than 2 millions car per year.




Data source: UNRAE

## Italian automotive market

In 2019, the Italian automotive market grew slightly. The alliance Renault-Nissan registrations reached 270.052 units.





| Registrations (units)   | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Italian TIV   | 2.137.345 | 1.916.614 | 1.517.036 | 1.402.737 | 1.477.398 | 1.707.938 | 2.023.092 | 2.162.835 | 2.090.644 | 2.090.644 |
| Registrations   |           |           |           |           |           |           |           |           |           |           |
|  | 118.737   | 96.082    | 69.312    | 73.289    | 91.032    | 107.938   | 139.125   | 153.938   | 142.917   | 131.999   |
| Market share  | 5,6%      | 5,0%      | 4,6%      | 5,2%      | 6,2%      | 6,3%      | 6,9%      | 7,1%      | 6,8%      | 6,3%      |
|  | 21.941    | 26.838    | 26.832    | 28.098    | 39.964    | 46.792    | 52.400    | 63.522    | 66.345    | 88.593    |
| Market share  | 1,0%      | 1,4%      | 1,8%      | 2,0%      | 2,7%      | 2,7%      | 2,6%      | 2,9%      | 3,2%      | 4,2%      |

|   |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 60.169  | 69.374  | 53.991  | 51.058  | 52.812  | 63.419  | 65.234  | 72.668  | 62.294  | 49.460  |
| Market share  | 2,8%    | 3,6%    | 3,6%    | 3,6%    | 3,6%    | 3,7%    | 3,2%    | 3,4%    | 3,0%    | 2,4%    |
| Total Alliance registrations  | 200.847 | 192.294 | 150.135 | 152.445 | 183.808 | 218.149 | 256.759 | 290.128 | 271.556 | 270.052 |
| Market share  | 9,4%    | 10,0%   | 9,9%    | 10,9%   | 12,4%   | 12,8%   | 12,7%   | 13,4%   | 13,0%   | 12,9%   |

Data source: Internal




In this market, RCI Banque Italy developed an excellent performance considering the penetration rate index (number of loan contracts on number of car registrations) achieving in 2019: 65.7%.

### Penetration Index

| RCI Penetration   | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|    | 42,1% | 43,4% | 52,1% | 51,9% | 50,0% | 55,0% | 60,2% | 64,0% | 67,2% | 70,9% |
|    | 32,5% | 35,1% | 43,7% | 45,1% | 44,8% | 53,2% | 59,1% | 59,5% | 61,9% | 63,7% |
|    | 29,0% | 38,5% | 50,1% | 47,8% | 45,3% | 47,3% | 51,5% | 52,5% | 56,5% | 55,8% |
|  | 37,2% | 40,5% | 49,8% | 49,3% | 47,5% | 52,4% | 57,7% | 60,0% | 63,4% | 65,7% |

Data source: Internal

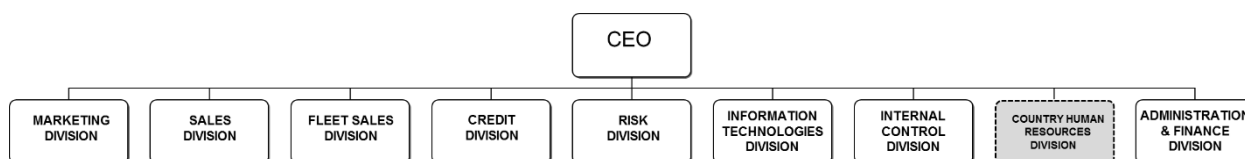
### RCI Loan production

| Financing contracts (units)   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015    | 2016    | 2017    | 2018    | 2019    |
|---|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
|  | 50.043 | 41.687 | 36.090 | 38.072 | 45.480 | 59.382  | 83.792  | 98.491  | 96.069  | 93.605  |
|  | 7.140  | 9.409  | 11.714 | 12.665 | 17.916 | 24.891  | 30.955  | 37.764  | 41.064  | 56.393  |
|  | 17.467 | 26.709 | 27.024 | 24.374 | 23.873 | 29.929  | 33.338  | 37.756  | 34.976  | 27.468  |
| Used Cars   | 2.068  | 5.316  | 7.610  | 7.915  | 7.739  | 9.866   | 14.761  | 21.596  | 31.110  | 32.602  |
| Total RCI Italy contracts   | 76.718 | 83.121 | 82.438 | 83.026 | 95.008 | 124.068 | 162.846 | 195.607 | 203.219 | 210.068 |
| Total loans amount (MEUR)   | 883    | 1.067  | 1.099  | 1.096  | 1.226  | 1.577   | 2.168   | 2.769   | 2.871   | 3.030   |

Data source: Internal

## **Organization Structure of RCI Italy**

As of December 2019 the company employed 215 people.



### ***Organization and procedures in relation to the Securitised Assets***

RCI Banque Italy has a common organisation, systems and procedures for all brands (Renault, Nissan, Dacia, Infiniti). Consequently, the following description applies to both brands (except when specified otherwise).

The pool to be securitized by RCI Banque Italy consists of its retail car loans portfolio, e.g. loans granted to consumer and enterprise financing the purchase of new cars (Renault, Dacia, Nissan and Infiniti) and used cars at the Renault and Nissan points of sale in Italy (excluding fleets).

### ***Description of securitised auto loans***

RCI Banque Italy loan products are addressed to both retail and corporate clients. The 2017 production can be split into the following sub-categories:

|                          |              |
|--------------------------|--------------|
| <b>RETAIL CLIENTS</b>    | <b>93,1%</b> |
| <b>Employees</b>         | <b>56,9%</b> |
| <b>Self employed</b>     | <b>17,7%</b> |
| <b>Retired</b>           | <b>13,5%</b> |
| <b>Housewives</b>        | <b>3,6%</b>  |
| <b>Students</b>          | <b>1,3%</b>  |
| <b>Others</b>            | <b>0,1%</b>  |
| <b>CORPORATE CLIENTS</b> | <b>6,9%</b>  |

Standard car loans are the core activity of RCI Banque Italy. Balloon loans are also offered and accounted for 38% of the total production.

Other financing products will not be part of the present securitisation (personal loans, leases, variable instalments, dealer floor plan financing).

### ***Classic Credit (fully amortizing loans without balloon)***

The main features of a standard auto loan (new Nissan cars, new Renault and Dacia cars or used cars of any brand) are the following:

- Down payment (if any) at the signature of the contract;

- Fixed interest rate (including zero interest rate);
- Constant monthly installments.

### ***New vehicle loans (classic credit)***

The classic credit line is certainly the most common in the Italian market.

General characteristics of a Classic Credit for new vehicle over all brands in 2019.

- Maturity between 24 and 84 months
- Average maturity 55 months
- Average rate 5,6%
- Maximum amount of the loan is in general equal to the auto purchase price including any accessories (the loan may include credit insurance and services financed by the customer)
- Only fixed monthly payment
- Average down-payment of around 33%
- Fully amortizing contracts

### ***Used vehicle loans (classic credit)***

General characteristics of a Classic Credit for used vehicle in 2019:

- Maturity between 12 and 84 months
- Average maturity 52 months
- Average rate 5.8%
- Maximum amount of the loan is in general equal to the auto purchase price including any accessories (the loan may include credit insurance and services financed by the customer)
- Only monthly payment
- Average down-payment of around 23%
- Fully amortizing contracts

### ***Balloon loans***

Balloon financing combines the benefits of classic financing with those of leasing. At the end of a Balloon Credit financing arrangement, the customer has – which is different from leasing – three options:

1. Give back the vehicle to the dealer, without paying the final installment. The dealer pays the installment to RCI Banque Italy, and becomes the owner
2. Pay the final installment either cash or through RCI Banque Italy (in this case the final installment is refinanced with RCI Banque Italy)
3. Return the vehicle to the dealer, repurchasing a new vehicle by a new Balloon Credit. The choice of a new vehicle is not mandatory. In this case, the dealer pays the balloon installment to RCI

Banque Italy and sells a new car to the customers. The dealer is committed on a pre-agreed fixed purchase price (indicated into the contract as Guaranteed Future Value, which corresponds with the balloon amount).

General characteristics of a Balloon Credit in 2019:

- Duration available from 24 to 60
- Average maturity about 41 months
- Average rate 5.5%
- Maximum amount of the loan is general the purchase price including any accessories
- Only monthly payment
- Average loan initial amount of around 16,800 €
- Private and corporate customers

### ***The distribution network***

RCI Banque Italy operates through its Credit department based in Rome, the network of Renault/Nissan/Dacia/Infiniti dealers all across Italy and, marginally, the Renault/Dacia and Nissan *Convenzionati* (workshops carrying out an activity of car sales). No agencies are involved in the distribution activity.

RCI Banque Italy sells its loan products through the following points of sales categories:

- 85 Renault/Dacia dealers ("*Concessionari*")
- 99 Nissan dealers ("*Concessionari*")
- 109 Renault/Dacia affiliates ("*Convenzionati*")
- 21 Nissan affiliates ("*Convenzionati*")

RCI Banque Italy signs with each dealer a standard agreement ("*lettera di convenzionamento*") governing all the relationship with the dealers.

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

Zenith Service S.p.A. a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Guidubaldo del Monte 61, 00197 - Rome, Italy and administrative offices at Via Vittorio Betteloni 2, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Rome number 02200990980, enrolled in the New register of financial intermediaries ("Albo Unico") held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, ABI Code 32590.2.

Zenith Service S.p.A. is a professional Italian player focusing in managing and monitoring securitisation transactions. In particular, it acts as Servicer, Master and back-up servicer, back-up servicer facilitator, corporate servicer, calculation agent, cash manager and representative of the noteholders in several structured finance transactions. In the context of this Securitisation, Zenith Service S.p.A. acts as Corporate Servicer, Master Servicer, Calculation Agent and Representative of the Noteholders.

## THE ACCOUNT BANK, THE CASH MANAGER AND THE PRINCIPAL PAYING AGENT

Crédit Agricole Corporate and Investment Bank is a French *Société Anonyme* (joint stock company) with a Board of Directors governed by ordinary company law, in particular the Second Book of the French Commercial Code (*Code de commerce*).

Crédit Agricole Corporate and Investment Bank is registered at the *Registre du Commerce et des Sociétés de Nanterre* under the reference SIREN 304 187 701 and its registered office is located at 12 place des Etats-Unis - CS 70052, 92547 Montrouge Cedex, France.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (*Code Monétaire et Financier*). In this respect, Crédit Agricole Corporate and Investment Bank is subject to oversight of the European and French responsible supervisory authorities, particularly the European Central Bank and the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, the Company is subject to the French Monetary and Financial Code (*Code Monétaire et Financier*), particularly the provisions relating to the activity and control of credit institutions and investment service providers.

As of 31 December 2019, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to Euro €7,851,636,342.00 divided into 290,801,346 shares with a nominal value of € 27. Crédit Agricole Corporate and Investment Bank's share capital is held at more than 99% by the Crédit Agricole Group. Crédit Agricole S.A. holds more than 97% of the share capital.

Crédit Agricole Corporate and Investment Bank is the corporate and investment banking arm of the Crédit Agricole Group.

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its two main activities are financing activities and capital markets and investment banking. Financing activities include French and international commercial banking and structured finance: project finance, aircraft finance shipping finance, acquisition finance, real estate finance and international trade. Capital markets and investment banking covers capital market activities (interest-rate derivatives, foreign exchange, debt markets and treasury) and investment banking activities (mergers and acquisitions and equity capital markets).

Crédit Agricole Corporate and Investment Bank also runs an international private banking business in France, Switzerland, Luxembourg, Monaco, Spain, Brazil and Belgium.

The long term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A+" by Standard & Poor's Rating Services, "Aa3" by Moody's and "AA-" by Fitch Ratings at the date of this Prospectus. The short term unsecured, unsubordinated and unguaranteed obligations of Crédit Agricole Corporate and Investment Bank are rated "A-1" by Standard & Poor's Rating Services, "P-1" by Moody's and "F1" by Fitch Ratings at the date of this Prospectus.

Any further information on Crédit Agricole Corporate and Investment Bank can be obtained on Crédit Agricole Corporate and Investment Bank's website at [www.ca-cib.com](http://www.ca-cib.com). This website does not form part of this Prospectus.

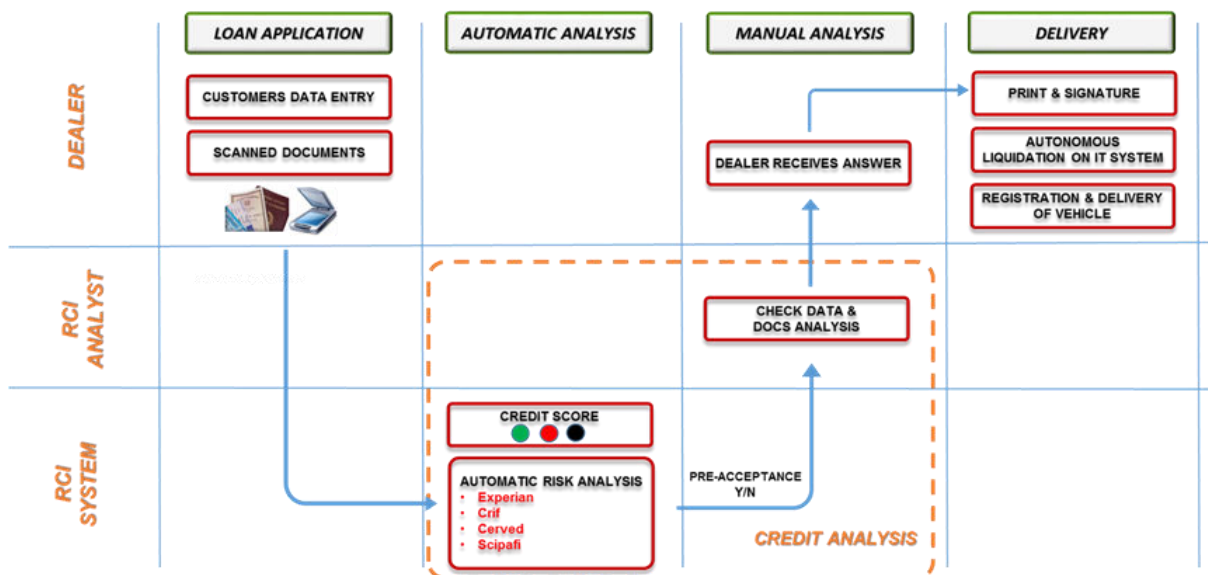
## CREDIT AND COLLECTION POLICY

The description of the Credit and Collection Policy set out below is a summary of certain features of the Credit and Collection Policy adopted by RCI Banque S.A., Italian branch and it is qualified by reference to the detailed contents of the Credit and Collection Policy enclosed to the Servicing Agreement. Prospective Noteholders may inspect copies of the Transaction Documents (including the Servicing Agreement and the exhibits thereof) upon request at the specified office of each of the Representative of the Noteholders and the Listing Agent.

### The underwriting process

The various steps of a loan application can schematically be summarized as follows:

- **Communication of the loan application** (authorization to treat customer data, records of income, identity documents) to RCI Banque Italy by its system Matrix (see Loan Applications below);
- **Sending of client documents** to RCI Banque Italy (see below for the type of documents requested);
- **Scoring of the application** which results in assigning a colour depending on the scoring cut off. This colour is used to determine the applicable delegation for approval and the depth of controls to undertake;
- **An automatic risk analysis** followed by an additional manual analysis, in order to decide on definitive approval or rejection.



The Credit department deals with all operational aspects of the acceptance process (including checking of documents and parameters).

For the assessment of incoming financing and leasing inquiries, a distinction is made between physical person (private individuals and self-employed people) and legal entities (companies registered in the Italian Commercial Register).

The acceptance department is organised as follows:

- Since September 2014 the credit underwriting department has been reorganized by creating two different specialized credit managers one for private individuals and one for self-employed people,

legal entities and used vehicles;

- 31 credit analysts (*Interlocutori*) under the supervision of the credit acceptance managers:
- of which 9 for legal entities (also specialized on leasing requests);
- of which 1 for "used car" applications;
- of which 21 for individuals;
- 2 loan officers dedicated to data entry (outsourcing).

The acceptance department has the following responsibilities:

- credit and lease decisions on private and commercial preliminary inquiries, taking into account the operating procedures and the delegation of authorities
- preparation and submission of transactions that exceed the employee's own authority
- review of the submitted contract documents in terms of completeness and accuracy

It is important to notice that the acceptance process is driven by the two following factors: the scoring of the application and the amount of the financing. These two parameters determine the delegation levels set under a rigorous process.

Since November 2015 RCI Banque has implemented a new automatic pre-approval system.

The applications matching a set of requirements determined by the Risk Management are pre-approved and checked by a specialized team of employees.

They verify that all data (input in the IT system by the dealer) are correct comparing them with the attached documents. Moreover, the members of the team make sure that the SCIPAFI results are green. In this case, the approval is confirmed and the contract can be funded.

All dealers have access to this system for individual application (employees and self-employed), not for companies

Every month a specific backtest on the real predictivity of this system is carried out, comparing the level of actual default rate to the Probability of Default automatically calculated by the score at the date of subscription.

### **Residual value setting**

Residual values applicable to the product balloon are fixed according to the guidelines established in a meeting on a quarterly basis, with the participation of representatives of RCI Banque Italy (Sales and Marketing Direction) and Carmaker (Sales and Marketing Direction and Used vehicles responsible). The guaranteed future value is identified for each model, based on average market values of used vehicles charged by dealers using Eurotax for the historical data and forecasts. In case of new vehicle launch an ad hoc meeting is arranged. Once the guaranteed future value is defined, it is then communicated to the dealer network.

### **Loan applications**

Loan applications can be received by RCI Banque Italy through the IT system "Matrix": The details of the loan application are then loaded in RCI Banque Italy systems directly by the dealer; also the documents to be checked by the Analyst are submitted through Matrix as a pdf file previously scanned.

## Information requested

All customer information include invariably:

1. The authorisation form in order to treat all customer data signed by the borrower himself
2. Identification documents: e.g. copy of the identity card, passport or the driving licence of the customer, the spouse (if any), the guarantor (if any) or, in case of company, of the legal representative or signatory
3. The tax identification number (*Codice Fiscale* or VAT for companies)
4. Documents on customer revenues and financial situation, depending on the customer category (employees, retired, self-employed, companies etc.)

For a detailed list of the information requested refer to Appendix A.

The dealer is responsible for identifying the applicants and for collecting and forwarding the original documentation to RCI Banque Italy.

In case any data, necessary for the customer assessment, is missing the analyst ("*Interlocutore*") asks the dealer to provide the documentation. If any not essential data are impossible to obtain the analyst inputs by default the most penalizing value.

## Scoring

RCI Banque Italy uses 4 different score cards developed in cooperation with the Direction Client et operation of RCI Banque Corporate and based on customer's type: one for **professionals**, one for **companies**, one for individuals financing a **new vehicle**, one for individuals financing a **used vehicle**.

Score cards take into account three categories of information: (i) socio-economic variables concerning the applicant, (ii) variables on the type of loan and (iii) the scoring resulting from Experian and Crif credit bureaux.

According to these credit scoring systems, a numerical score is assigned to each application, representing a theoretical probability of default in 12 months. To each application is then assigned a colour, directly related to its score range.

Since 2015 the scores colours have been reduced from 4 to 3 in order to simplify the acceptance process:

- **Green** for low risk;
- **Red** for medium risk;
- **Black** for highest risk.

The scoring determines the level of the controls to be carried out (see below) and the limits for underwriting and overriding.

## Risk analysis

The analysis of a credit application is divided in two main steps:

1. The automatic risk analysis;

2. The risk analysis carried on by the credit analyst ("*Interlocutore*").

#### *Automatic risk analysis*

The first phase starts with the input of the loan application data into the system.

The scoring process covering the following controls, depends on the scoring of the application:

Internal and external databases check :

- (a) **RCI Banque Italy internal database** in order to verify if the customer is already a RCI Banque Italy customer or was in the past and check the payments regularity (automatic);
- (b) **"Experian"**, a data base giving information on telephone numbers, protests, loan applications to other lenders, bankruptcies and foreclosures (automatic);
- (c) **"Crif" data bank**, which provides information relating to other loan contracts and foreclosures (automatic);
- (d) **"Cerved" data bank**, providing information for companies, self-employed and for employees of companies not well known in Italy (manual);
- (e) **Experian Detect and SCIPAFI** anti-fraud systems (please refer to paragraph below)

#### *Credit analyst analysis*

In addition to the automatic risk analysis, an additional analysis is carried on by the credit analyst (except for loans automatically approved) who can involve the following steps:

- A verification and analysis of the financial situation of the customer and the guarantor (if any);
- Direct contact with the customer and his employer, the latter in order to verify the customer's seniority and type of job;
- Phone call to customer's bank;
- A more detailed check of the information collected through the consultation of the databases;
- Additional actions (up to a visit at customer's work place or home) can be carried on, in case the applicant has a specific risk profile.

For instance in case of individuals:

- Employees of individual company
- Specific kind of customer (as retired)
- Application coming from risky dealers
- No fixed telephone contract
- Down payment below 25%

In case all the documents are correctly collected, the final feedback on the acceptance/refusal can take, in average, no more than two days.

If an application is rejected, the name of the applicant is maintained in the RCI Banque Italy systems for 24 months. During this period further requests from the same customer will automatically trigger a deeper analysis than standard, and will only be accepted if the credit quality of such applicant has significantly improved.

Procedures for the acceptance of auto loans in favour of both individuals and companies are annexed to the present document.

### Anti-fraud systems

#### 1. SCIPAFI

Since February 2015 this new system managed by Economy and finance Ministry (MEF) is online. SCIPAFI allows for every individual applicant or guarantor to check driving licence, revenues, fiscal code, address. In the next future other documents as ID card, passport, residency permit will be submitted to check.

#### 2. DETECT

Every application is sent automatically online to Experian in order to verify through the anti-fraud "Detect" system the presence of any suspect elements on contractor or guarantor.

The check involves a series of data as ID, phone numbers, Iban, address, employer checked on the whole Experian database and allows the analyst to study the request in a deeper way.

### Authorization Limits

Once all the actions described above have been carried out, the acceptance or refusal of a specific application is subject to the final decision, taken by different analyst depending on their authorisation limits.

The tables below summarize the authorisation limits related to RCI Banque Italy retail or enterprise loan activity.

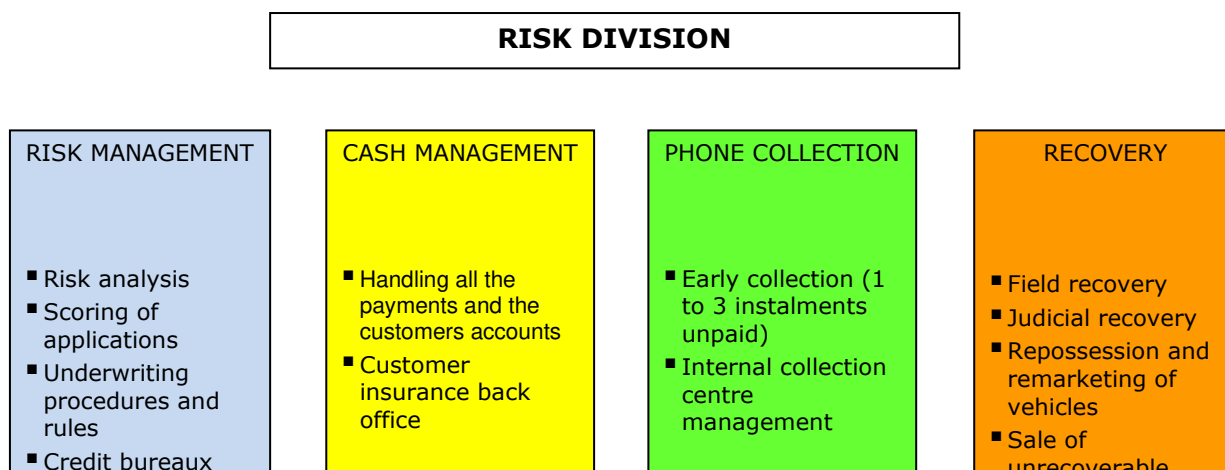
| INDIVIDUALS /COMPANIES |                 |         |
|------------------------|-----------------|---------|
|                        | WHO             | AMOUNTS |
| GREEN                  | JUNIOR ANALYST  | 20.000  |
|                        | ANALYST         | 35.000  |
|                        | SENIOR ANALYST  | 50.000  |
|                        | CREDIT MANAGER  | 100.000 |
|                        | CREDIT DIRECTOR | 150.000 |
| RED                    | CREDIT MANAGER  | 100.000 |
|                        | CREDIT DIRECTOR | 150.000 |
| BLACK                  |                 |         |

### Servicing and recovery process

The Risk Division, whose main structure is summarised in the following chart, manages acceptance, collection and recovery procedures.

It is composed by 4 offices (4 functional activities), namely:

- Risk Management
- Cash Management
- Phone Collection
- Recovery



### **The servicing of performing loans: *the management of the customer relationship***

The Customer Care Office, under the responsibility of Marketing Division since November 2013, consists of:

- 3 employees for outsourced call-centre management (25 full time equivalent people work in the outsourced call-centre), second level help desk and customers claims.

### **Front office**

Customer Service Centre (outsourced) is able to answer telephone inquiries in connection with the existing financing, insurances agreements and leases as well as other questions. Outside of the regular business hours (from 8:30 a.m. to 8:30 p.m., Saturdays from 8:30 a.m. to 1:30 p.m.), the customer can communicate with the employees by e-mail via the RCI Banque website. Likewise, inquiries by our dealers are managed with a dedicated number and answered with top priority.

Some statistic data calculated on the period January – December 2017 can help evaluate the service quality:

Average monthly phone calls received (number): **16.845**

Average monthly e-mails received (number): **18.842**

Average waiting time before answering (minutes): **0,94**

Average duration of phone call (minutes): **3,05**

Average phone calls abandoned by customers (% on phone calls received): **6,1%**

### **Back office**

The few inquiries that cannot be answered immediately, as well as all mails, are handled in the Customer

Relationship Service. This includes processes such as claims and complaints management or contracts management. Some processes, such as insurance policy reduction and copy of invoices, are fully automated by customer request on a private area on RCI Banque Italy internet site.

## **Collection of Loan Instalments**

### **Payment Methods**

Customers can choose between two different methods to pay their loan instalments:

- by direct debit on the borrower's bank account (SDD);
- by postal payment slip (*bollettino postale*).

To borrowers who choose to pay their instalments by postal payment slip RCI Banque Italy delivers a complete pad of pre-filled slips at the beginning of the loan.

Balloon financing is allowed only if payments are done by SDD system.

As at 31st December 2017, 94% of the outstanding portfolio w paid by SDD.

Loans recently originated show an increased preference from borrowers to pay by SDD (95% on loans originated between January and December 2017).

### **Instalment Payment Dates**

RCI Banque Italy auto loans instalments are payable exclusively on a monthly basis.

Instalments have to be paid:

- On the 15<sup>th</sup> of month m+1 (and every subsequent month) for contracts opened between the 5<sup>th</sup> and the 19<sup>th</sup> of a month m, or
- On the 30<sup>th</sup> of month m+1 (and every subsequent month) for contracts opened between the 20<sup>th</sup> of a month m and the 4<sup>th</sup> of month m+1.

### **Instalment Collection Procedures**

Right after the relevant instalment payment date, RCI Banque Italy is automatically credited by Banco Popolare and Poste Italiane Spa with the amount of scheduled instalments, based on the information sent by RCI Banque Italy itself. By the fifth business day after such payment date, Poste Italiane Spa debits RCI Banque Italy's account for an amount equal to unpaid instalments. For Banco Popolare, this action can take place before or after the payment date. An instalment is considered "unpaid" when the borrower's account capacity is insufficient to pay it in full, i.e. no partial payment is allowed.

For payments made by pre-filled postal payment slips, RCI Banque Italy benefits from real time information on instalment payments received through "Poste on line", an internet connection with Poste Italiane S.p.A. (the state owns Italian postal service). Thanks to this connection, RCI Banque Italy can automatically associate these payments with the relevant borrowers. Within four business days after their due date, paid instalments are credited to RCI Banque Italy by Poste Italiane and the printed postal payment slips are delivered to RCI Banque Italy.

Concerning payments received from blank slips, the matching process can last five business days, considering that RCI Banque Italy is able to get, from Poste Italiane web site, and manage visual images of the slips.

For both, the funds received are "stored" until the matching activity has been completed.

According to the collection procedures of RCI Banque Italy, no partial payments of instalments are possible, except for unpaid instalments. If such partial payments occur, the sums received are allocated in the following order of priority: due and unpaid principal, interests due and unpaid, overdue interests, recovery expenses.

### **Prepayments**

The Customer Care Office also manages prepayments on auto loans. Prepayments are authorised at any time without prior notice.

On the client's demand RCI Banque Italy provides by fax or email the amount to pay. Such amount is calculated taking into account the following items:

- Instalments due but unpaid (if any);
- Overdue interests on instalments due but unpaid (if any);
- Recovery expenses (if any, these are applied in case the borrower has been delinquent for more than 60 days);
- Loan outstanding principal balance;
- An indemnity equal to 1% of the outstanding principal balance of the loan if allowed by law (automatically calculated).

The prepayment calculation is made for a payment date corresponding to the next instalment's due date. This is taken into account in determining the outstanding principal balance of the loan as well as interests due on late payments.

Prepayments can be received only through bank transfer.

### **Amendments to Loan Agreements**

Possible modifications of outstanding loan agreements – that are strictly subject to RCI Banque Italy internal procedures – can be classified as follows:

- Modifying (i) personal data of the borrower and guarantor, (ii) bank account details or (iii) payment method;
- Renegotiating loan agreements (either partially or globally);
- Refinancing (or substituting) existing loans

Except for cases described below, no amendment is authorised to interest rates, instalment amounts, instalment payment dates and frequency or to other essential financial characteristics of the loans.

### **Bank and address variations**

In case of SDD payments, correcting wrong data entries implies the automatic deletion of the existing loan file and the opening of a new one including the correct data. If the first instalment has already fallen due or if the flow of information for SDD payments has been already sent to the relevant bank, then the relevant changes to the system shall be made manually.

The departments in charge of updating personal data of the borrower, bank account details or payment

methods are the Customer Care Office if the customer pays regularly. In case of late payment or delinquency the Phone Collection Office and the Recovery Office are in charge of these changing

#### Renegotiation of existing loans

RCI Banque Italy allows its customers two different kinds of renegotiations:

- Partial renegotiations;
- Global renegotiations.

In principle, a "partial renegotiation" can only be granted to delinquent obligors who are negotiating with RCI Banque Italy a rescheduling of unpaid instalments (*piano di rientro*) without extending the term of the existing loan (obligors are given the possibility to repay gradually their outstanding debt at the time of renegotiation).

In particular, partial renegotiations may be granted to borrowers that have been transferred into the A.P.R.E. system (as defined afterwards). Such *piano di rientro* may not last more than 8 months if the delinquent loan is – at the time of renegotiation – classified in the "CAM" phase, or 60 days in the "Phone collection" recovery phase. An up-front payment of 20% of the outstanding debt is requested to have access to such renegotiations.

If the above conditions are not satisfied, the partial renegotiation may be authorised only by the Head ("*Capo Servizio*") of the Recovery Office.

A "global renegotiation", instead, usually provides an extension of the term of the existing loan and may be granted to performing and non performing obligors as well. A "global renegotiation" occurs when the loan instalment amount is increased or reduced, creating thus a shorter or longer loan amortisation period. The conditions are detailed in Appendix B "Conditions precedent to global renegotiations".

In 2017 the number of renegotiated loans has been 11.

Exceptions to the above conditions may be authorised only with approval of the Head ("*Capo Servizio*") of the Recovery Office. Furthermore, in case of global renegotiation of delinquent loans, borrowers are requested to pay up-front at least 30% of the loan outstanding balance.

#### Refinancing of existing loans

The refinancing of existing loans is managed by the Recovery Office and the Acceptance Office.

It is managed as a prepayment on the existing loan and the creation of a new loan with different features. However, receivables deriving from refinanced loan agreements will not be included in the securitisation.

When the relevant terms of the new loan (amount financed, number and amount of instalments, method of payments etc.) have been agreed between the Recovery Office and the borrower, such terms are submitted for approval to the Risk Director (Direttore Rischio) – in compliance with RCI Banque Italy's delegations of authority (Delega dei Poteri) – who is also responsible for determining the relevant criteria applicable to refinancing existing loans.

Once approved, the refinancing is managed as a new loan and is therefore subject to RCI Banque Italy's underwriting procedures and approval process.

In 2017 the number of refinanced loans has been 17.

#### **The servicing of delinquent loans: *the management of late payments***

The recovery process on delinquent loans consists of different phases during which different activities are carried out to obtain the complete payment by the borrower.

These phases are illustrated in the chart below:

| COLLECTION AND RECOVERY FLOW             |              |                            |    |         |    |                             |         |  |    |  |     |     |           |     |     |           |                          |     |                          |                          |     |                          |             |     |             |     |     |
|--|--------------|----------------------------|----|---------|----|-----------------------------|---------|--|----|--|-----|-----|-----------|-----|-----|-----------|--------------------------|-----|--------------------------|--------------------------|-----|--------------------------|-------------|-----|-------------|-----|-----|
| BEFORE LEGAL TERMINATION OF THE CONTRACT |              |                            |    |         |    |                             |         |  |    |  |     |     |           |     |     |           |                          |     |                          |                          |     |                          |             |     |             |     |     |
| CUSTOMER TYPE                            | 1-30 D       |                            |    | 31-60 D |    |                             | 61-90 D |  |    | 91-120 D                                   |     |     | 121-150 D |     |     | 151-180 D |                          |     | 181-210 D                |                          |     | 211-240 D                |             |     | 241-270 D   |     |     |
|  | 10           | 20                         | 30 | 40      | 50 | 60                          | 70      | 80   | 90 | 100  | 110 | 120 | 130       | 140 | 150 | 160       | 170                      | 180 | 190                      | 200                      | 210 | 220                      | 230         | 240 | 250         | 260 | 270 |
| INDIVIDUALS / COMPANIES                  | SDD resubmit | INDUSTRIAL (2 AGENCIES)    |    |         |    | CUSTOMIZED (RCI COLLECTORS) |         |  |    | FIELD FORCE (COLLECTION AREA MANAGERS RCI) |     |     |           |     |     |           |                          |     | LAST CHANCE 1 (AGENCIES) |                          |     | LAST CHANCE 2 (AGENCIES) |             |     | TERMINATION |     |     |
| BIG TICKETS COMPANIES                    | SDD resubmit | CUSTOMIZED (RCI COLLECTOR) |    |         |    |                             |         | FIELD FORCE (COLLECTION AREA MANAGERS RCI) |    |  |     |     |           |     |     |           | LAST CHANCE 1 (AGENCIES) |     |                          | LAST CHANCE 2 (AGENCIES) |     |                          | TERMINATION |     |             |     |     |

| AFTER LEGAL TERMINATION OF THE CONTRACT |                             |     |     |           |     |     |           |     |     |           |     |     |                             |     |     |           |     |     |           |     |     |           |     |     |      |  |  |
|---|-----------------------------|-----|-----|-----------|-----|-----|-----------|-----|-----|-----------|-----|-----|-----------------------------|-----|-----|-----------|-----|-----|-----------|-----|-----|-----------|-----|-----|------|--|--|
| CUSTOMER TYPE                           | 271-300 D                   |     |     | 301-330 D |     |     | 331-360 D |     |     | 361-390 D |     |     | 391-420 D                   |     |     | 421-450 D |     |     | 451-480 D |     |     | 481-510 D |     |     |      |  |  |
|   | 280                         | 290 | 300 | 310       | 320 | 330 | 340       | 350 | 360 | 370       | 380 | 390 | 400                         | 410 | 420 | 430       | 440 | 450 | 460       | 470 | 480 | 490       | 500 | 510 |      |  |  |
| ALL                                     | EXTRA-JUDICIAL 1 (AGENCIES) |     |     |           |     |     |           |     |     |           |     |     | EXTRA-JUDICIAL 2 (AGENCIES) |     |     |           |     |     |           |     |     |           |     |     | SALE |  |  |

Every phase produces good recovery performances as shown below (each colour corresponds to the relevant phase)

As mentioned above, the Phone Collection Office is in charge of the first part, while the Recovery Office is responsible for carrying out the subsequent phases of this procedure.

| Phase  | % amount recovered on assigned | External provider  |
|--|--------------------------------|--|
| SDD resubmission (automatic)                               | 68%                            |  |
| Phone collection – industrial (agencies)                   | 84%                            | TELKOM SPA<br>CITY RECUPERO CREDIT SRL                                 |
| Phone collection – customized (RCI, agencies if necessary) | 68%                            | INTERNAL PHASE   |
| Home collection - field force (RCI)                        | 60%                            | INTERNAL PHASE   |
| Home collection – last chance 1 (agencies)                 | 18%                            | CREDIRES SRL<br>SERVICE CREDIT SRL<br>FIDES SPA                        |
| Home collection – last chance 2 (agencies)                 | 11%                            | FIRE SPA<br>CSS SPA  |
| Terminated contracts – extrajudicial 1 (agencies)          | 12%                            | ESACONSULT SRL<br>CALEDONIA SERVIZI SRL                                |
| Terminated contracts – extrajudicial 2 (agencies)          | 7%                             | MARAN CREDIT SOLUTION SPA<br>AGECREDIT SRL<br>CERVED CREDIT COLLECTION |

Results of every step are monitored on a weekly basis using IT tools (as Business Object data warehouse) and regularly communicated to actors of every phase.

Unpaid instalments deriving from SDD are recognised as delinquent and then passed on into the

recovery process as soon as the relevant bank communicates the list of unpaid instalments to RCI Banque Italy. If the cause of missed payments is "insufficient funds" an automatic IT program (SDD resubmission) attempts back to withdraw the instalment amount from the customer bank account after some days. This process provides a 63% of positive results.

On the other hand, postal payment slips are identified and passed on into the recovery process after 15 days after the due date. The longer "grace period" granted to postal payment slips takes into account the maximum delay experienced by RCI Banque Italy in receiving the slips.

## EARLY COLLECTION

Staff engaged:

- 1 Phone Collection Manager
- 1 Coordinator
- 1 Specialist

The first recovery stage consists in "phone collection".

The main objective of this stage is treating all RCI costumers with unpaid in two subsequent actions so to create a strong barrier to default and to limit assignment to field force.

Operations are carried out in the RCI Collection Center (25 workstations) located in Renault plant using dedicated hardware and software.

One RCI Responsible is in charge of defining and applying strategies of collection calls and steering the resources. This stage may last up to 35 days.

Two cycles, lasting at most 40 days each, are exploited:

- Industrial phase

Operations to collect 1 instalment unpaid (plus ongoing one) are carried out by the personnel of 2 agencies working in competition (Telkom spa + City recupero crediti srl).

The calls are managed by "predictive" software that optimizes work time and no study on the position is carried out.

Technical SDD unpaid are treated separately to solve alignment issues.

Results are weekly shown and commented, in order to find out action plans if needed, at a deep level of detail (operator, week, customer type, expenses, etc.).

A monthly meeting allows us to share results with all personnel involved.

- Customized phase

Operations to collect 2 to 3 instalments unpaid are carried out by the RCI staff (5 FTE).

Before calling the borrower, a study of the position is done to better understand previous issues and to find customer or guarantor in an easier way.

Results are weekly shown and commented, in order to find out action plans if needed, at a deep level of detail (operator, week, customer type, expenses, etc.).

A monthly meeting allows us to share results with all personnel involved.

Due to major risk associated with companies with high exposure (Big Tickets) and the need to keep the positions together, one RCI specialist is directly engaged in phone collection actions of multiple loans of the same customer. Deep study of customer profile and possibilities is carried on with the help of credit bureaux. Only in this case, the collection lasts at most 90 days.

#### MIDDLE COLLECTION (responsibility of Recovery Office)

Staff engaged:

- 1 Collection Manager (0,25 on this activity)
- 9 CAM (Collection Area Managers) dislocated on the Italian territory
- 1 field collection assistant

The loans corresponding to borrowers that are still delinquent after the "phone collection" phases shift on to the phase denominated CAM Phase, carried out by RCI Banque employees dislocated on the Italian territory.

The loans are classified by geographical area and then assigned every week to the related CAM. Each position has an unpaid at least of 4 instalments and can reach 7 instalments overdue at the end of the maximum extension of the phase (90 days)

Collection actions largely consist payment agreements obtained of personal meetings with the debtors, frequent phone calls, as well as sending standardised payment request letters. The CAM also conducts investigations on the reasons that led to missing due payments and seeks to negotiate solutions aimed to maximize the recoverable amount. This job requires a sound experience on negotiation and territorial and social knowledge.

Statistics with the performance of the group and of each CAM are sent every week to the staff. At least twice a year a meeting is held in RCI to motivate people and to improve results by best performers experiences and training.

The priorities of CAM are the "never paid" loans and highest amounts of outstanding.

In order to boost performances, an incentive system rewards the best results in term of speed of return "in bonis" by cash payments, higher outstanding recovery and successful deferred payments.

The CAM have been recently equipped with an application that allows them to browse and call all the assigned account directly on i-Phone. The connection with IT system is in real time, so that every update is taken into account.

The loans for which exceptional events have occurred (e.g. bankruptcy of the borrower, theft of an insured vehicle etc.) are passed to the competent services.

#### LATE COLLECTION

Staff engaged:

- 1 Collection Manager (0,50 on this activity)
- 1 field collection coordinator
- 1 remarketing specialist

If the CAM phase results are negative, the dossier is assigned to different agencies dislocated on the Italian territory.

Agencies are selected among the best performers companies, associated to UNIREC (Unione nazionale imprese a tutela del credito) linked to Confindustria.

Two subsequent stages of maximum 45 days each are set up, aimed to reach payment agreements to avoid the termination of the contract and litigation handling. For each stage two different agencies are used to compare results, skills and methods.

Agency phases are marked by different level of commissions, flexibility on repayments plan and vehicle repossession.

Performances of the agencies are monitored on a weekly basis and forwarded to them to increase competition.

At the end of the last recovery attempt, RCI Banque sends a letter to the customer still unpaid in order to threaten the contract termination and the need of immediate payment of the unpaid.

### **Repossession and Sale of Financed Vehicles**

The repossession and subsequent sale of financed vehicles represents a recovery tool mostly used in case of leasing. That is because financed vehicles are not pledged in favour of RCI Banque Italy when the loans are granted to customers.

The sale of the financed vehicle, therefore, may take place only when the contract leasing has been terminated by RCI or, in case of retail financing, the borrower asks RCI Banque Italy to repay all or part of his outstanding debt by returning back the purchased vehicle.

In this event, the below procedure is pursued:

- Only CAM and agency personnel is authorized to manage financed vehicles repossession;
- All relevant documentation pertaining to the vehicle is delivered to RCI Banque Italy;
- The owner of the vehicle provides RCI Banque Italy with an authenticated power of attorney to sell the vehicle (except for leasing contracts);
- The vehicle is stocked in the nearest Renault or Nissan dealer;
- An expert's appraisal is obtained by RCI Banque Italy;
- The vehicle is sold to the dealer beside which it is deposited or to another car seller for a price not lower than the expert's appraisal;
- The amount cashed from the sale of the vehicle is applied towards the reimbursement of the outstanding debt of the borrower;
- Any difference is demanded or reimbursed to the customer;
- If the borrower does not pay the remaining unpaid, the account is transferred to an agency for the recovery process.

As mentioned above, the repossession and subsequent sale of financed vehicles not often occurs during RCI Banque Italy's recovery procedure. In 2017, 162 vehicles (90% from leasing) have been repossessed and sold; the sale price represented 128% of the appraisal and covered 53% of the

outstanding debt. The average time elapsed between the receipt of the power of attorney and the sale of the vehicle was around 45 days.

### **Contract termination**

- 1 Collection Manager (0,25 on this activity)
- 2 legal collection assistants

Once all the above attempts have proved to be unsuccessful, loans still unpaid are analysed by the Collection Manager choosing one of the following alternatives:

- The loan is transferred to the "Terminated contract phase" (as described below);
- The delinquent instalments are judged unrecoverable and a loss is accounted by RCI;
- The loan is transferred back to one of the precedent recovery phases of home collection, provided that some payments have been received or further information allows a positive outlook on the recoverability of the delinquent amounts.

While almost every delinquent loan passes through each phase of the recovery process before reaching such legal stage, in few cases (as frauds and bankruptcy) a loan is directly transferred to the legal phase.

### **LEGAL PHASE**

Two different possibilities to manage these contracts:

- Assignment to agencies specialised in loan terminations management (95%)
- Assignment to lawyers' offices for extrajudicial activities and judicial actions (5%)

### **Agencies**

Two subsequent stages of maximum 120 days each are set up, aimed to reach payment agreements based on the effective possibilities of customers, repaid by progressive commissions up to 30% of cashed sums.

Only at last stage RCI Banque can agree on transaction with balance reduction.

Performances of the five currently used agencies are monitored on a weekly basis and forwarded to them.

### **Lawyers**

Only a few and specific cases are assigned to lawyers, in order to avoid high costs and long procedures:

- Frauds
- Bankruptcy
- Repossession of vehicles financed by leasing
- Payment injunctions (to customers and guarantors)

At the end of the process, we may face different solutions:

- Closing of the contract after total payment

- Successful transaction with the customer
- Loss for bankruptcy, frauds, customers deceased without heirs nor assets
- Sale of receivables to factoring companies after 360 days since contract termination

In this last case the Recovery Department:

- Prepares the list and the documentation regarding the saleable receivables
- Analyses the documentation and the recovery history to define the list of receivables to offer to the factoring companies
- Contacts the factoring companies, only those authorized by Bank of Italy (art. 106 T.U.B.)
- Sends the information of the receivables (anonymous) to permit the due diligence and in order to receive the offers
- Analyses, with the cooperation of RCI Financial Analysis Department, the factoring companies' balance sheets
- Selects the best offer and sells the receivables.

## **Appendices**

### **A. List of mandatory information needed upon application for a financing**

- Client name;
- Address;
- Fixed telephone / information from electric power invoice;
- Tax identification number ("*Fiscal Code*");
- Marital status;
- Number of persons in the household;
- Type of accommodation;
- Years of residence;
- Job type;
- Job seniority;
- Net monthly salary;
- Data on spouse if any, or guarantor, if any;
- Data on employer (telephone etc...);
- Type of vehicle: new/used;
- Vehicle brand and model;
- Year of registration for used cars;

- Method of payment;
- Bank details (for RID payments);
- Product code;
- Amount of financing;
- Number of instalments;
- Instalment amount;
- Interest rate (TAN, TAEG);
- Date of signature;
- Signature and name of the dealer.

For companies:

- Company legal name;
- Registration date;
- Legal address;
- Data on legal representative;
- VAT information;
- Registration code;
- Information on vehicle;
- Product code;
- Amount of financing
- Number of instalments;
- Interest rate (TAN, TAEG);
- Data on the guarantors ("Fideiussore");
- Method of payment;
- Bank details.

*B. Conditions Precedent to Global Renegotiations*

A "global renegotiation" is realised when the amount of the loan instalment is increased/reduced determining a shorter/longer loan amortisation period. Conditions precedents to such global renegotiations are:

- a) The borrower shall be considered performing (in bonis) after consulting public negative databases;
- b) The outstanding balance of the loan shall not exceed five instalments;

- c) At least six instalments shall have been already paid;
- d) The number of instalments of the original loan shall not be higher than 84;
- e) Following the renegotiation, the number of instalments to be paid shall not be higher than 84;
- f) In no case can 24 months be exceeded in the extension;
- g) No other global renegotiations have already occurred;
- h) No more than two partial renegotiations have already occurred.

## **Annex A to the Collection Policies**

### **Voluntary Moratorium**

RCI Banque Italy is willing to grant to the Debtors to which the Legal Moratorium does not apply a deferral of payments of the Instalments due in respect of the Receivables deriving from Loan Agreements granted for (i) amounts higher than Euro 1,000, and (ii) an initial duration of not less than 6 (six) months, pursuant to and in accordance with the terms of:

- (a) the moratorium implemented by Assofin (*Associazione italiana del credito al consumo e immobiliare*), or;
- (b) any other moratorium implemented by other category associations or as defined by RCI Banque Italy,

in any case provided that any such moratoria comply with the guidelines set out in the Final Report EBA/GL/2020/02 "*Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis*", issued by the European Banking Authority on 2 April 2020 (as modified from time to time) ("**EBA Moratorium Guidelines**").

The main terms and conditions of the Voluntary Moratorium are set out below.

#### **A) Beneficiaries**

RCI Banque Italy may grant the Voluntary Moratorium to Debtors (to which the Legal Moratorium does not apply) which, due to the COVID-19 outbreak are in a situation of temporary economic difficulty in the period from 21 February 2020 and until 30 June 2020 (or any other date as specified in the EBA Moratorium Guidelines).

#### **B) Voluntary Moratorium requests and period of submission**

The Voluntary Moratorium will be granted exclusively:

- (i) upon request of the Debtors; and
- (ii) in respect of requests received by RCI Banque Italy at least 30 days before the Moratorium End Date.

#### **C) Status of the Receivables**

The Voluntary Moratorium will be granted in respect of Receivables which are not classified as non-performing exposures (i.e. Instalments are unpaid for less than 90 days) as at 21 February 2020.

#### **D) Product**

The Voluntary Moratorium will be granted in respect of the following type of loans:

- (i) Balloon Loans; and
- (ii) VN/VO.

#### **E) Terms of the Voluntary Moratorium**

The Voluntary Moratorium will have the following terms:

- (i) deferral of payments for a maximum of 6 (six) months;
- (ii) suspension of the entire Instalment (i.e. Principal Instalment and Interest Instalment), with the amortization plan being deferred for a period equal to the suspension granted. The interests accruing during such suspension period shall be calculated on the principal amount outstanding of the relevant Receivable at the interest rate set out under the original Loan Agreement. The amount corresponding to such interest amount shall be divided and added pro quota to the Instalments during the residual amortisation plan.

**F) Required documentation**

Relevant documentation (including self-declarations), satisfactory to RCI Banque Italy, evidencing the existence of the conditions for acceding to the Voluntary Moratorium (i.e. financial difficulties due to Covid-19 emergency).

**G) IT treatment**

- 1. Identification in the IT systems of RCI Banque Italy of the Loan Agreements to which the Voluntary Moratorium apply ;
- 2. Not unpaid;
- 3. Not forborne.

## THE ISSUER

### Introduction

The Issuer was incorporated in the Republic of Italy on 7 November 2014 as a limited liability company (*società a responsabilità limitata*) under the corporate name "*Cars Alliance Auto Loans Italy 2015 S.r.l.*". The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is at Via Vittorio Betteloni n. 2, 20131 – Milan, Italy, the fiscal code and number of enrolment with the companies register of Milan is 08831670966. The Issuer is also enrolled under number 351916 in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 7 June 2017. The Issuer has no employees and no subsidiaries. The Issuer's telephone number is +39 02 77 88 051.

The authorised and issued quota capital of the Issuer is Euro 10,000, fully paid up and held by Stichting SFM Italy No. 1 (which holds a quota of Euro 10,000, equal to 100%).

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

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

The Issuer has been incorporated under Italian law as a special purpose vehicle for the purpose of issuing asset backed securities. In accordance with the Securitisation Law, the sole corporate object of the Issuer is the realisation of securitisation transactions under the Securitisation Law.

### Issuer's principal activities

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

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

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

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

### Directors of the Issuer

The current directors of the Issuer are:

Sole Director

Mrs Simona Colombi. The domicile of Mrs Simona Colombi, in his capacity as Sole Director of the Issuer, is at Via Vittorio Betteloni n. 2,

20131 – Milan, Italy.

Mrs Simona Colombi is an officer of Zenith Service S.p.A.

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

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on November 2014 and ended on 31 December 2015.

### **Capitalisation and indebtedness statement**

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

| <b>Quota capital</b>                                | <b>Euro</b>         |
|---|---------------------|
| Issued, authorised and fully paid up quota capital  | 10,000.00           |
| <b>Loan capital</b>                                 |                     |
| <b>Securitisation</b>                               | <b>Euro</b>         |
| Class A Notes                                       | 955,000,000         |
| Class J Notes                                       | 291,500,000         |
| <b>Total loan capital (Euro)</b>                    | <b>10,000.00</b>    |
| <b>Total capitalisation and indebtedness (Euro)</b> | <b>1,246,510.00</b> |

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

### **Financial statements and independent auditors' report**

The Issuer's accounting reference date is 31 December in each year and the financial statements of the Issuer as at 31 December 2019 and 2018 are incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*" below).

EY S.p.A., a company with its registered offices in Via Po, 32 - 00198 Rome, has audited the financial statements of the Issuer as at 31 December 2019 and as at 31 December 2018 in accordance with generally accepted auditing standards in the Republic of Italy. EY S.p.A. is registered under No. 70945 in the Register of Accounting Auditors (*Registro dei Revisori Contabili*).

Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation

may be inspected and obtained free of charge during usual business hours at the specified offices of the Issuer and the Representative of the Noteholders.

**Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 815600F4EB04E8BB5E46.

## **USE OF PROCEEDS**

The total proceeds of the increase of the principal amount of the Notes is expected to be equal to Euro 779,413,807.13 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Increase Further Additional Portfolio in accordance with the Master Receivables Transfer Agreement, the Third Master Amendment Agreement, the Fourth Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement and to credit the Reserve Account up to the Required Reserve Amount, it being understood that any remaining amount will be credited to the Payments Account.

## THE ACCOUNTS

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

### The Issuer's Accounts

#### 1. Collection Account

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Collection Account with the Account Bank. Pursuant to the terms and conditions of the Servicing Agreement, the Servicer shall transfer on a daily basis to the Collection Account all the amounts received or recovered in respect of the Receivables. Furthermore, all amounts due to the Issuer under any of the Transaction Documents will be paid into the Collection Account.

#### 2. Payments Account

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Payments Account with the Account Bank. On each Payment Date, payments will be made out of the Payments Account in accordance with the applicable Priority of Payments, as set out in the Payments Report.

#### 3. Reserve Account

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Reserve Account with the Account Bank. On the Issue Date and, thereafter, on each Payment Date until the Senior Notes have been repaid in full, the amount necessary to replenish the Reserve Account up to the Required Reserve Amount shall be transferred into the Reserve Account in accordance with the applicable Priority of Payments.

#### 4. Expenses Account

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Expenses Account with the Account Bank into which, on the Issue Date, the Retention Amount will be credited. During each Quarterly Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses. To the extent that the amount standing to the credit of the Expenses Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit the amount necessary to replenish the Expenses Account up to the Retention Amount in accordance with the applicable Priority of Payments.

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will maintain each of the Collection Account, the Payments Account, the Reserve Account and the Expenses Account (together, the "**Issuer's Accounts**") with the Account Bank for as long as the Account Bank is an Eligible Institution. Should the Account Bank no longer be an Eligible Institution, each of the Issuer's Accounts held with it will be transferred to an Eligible Institution within 30 calendar days from the date on which the Account Bank ceased to be a Eligible Institution.

**"Eligible Institution"** means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

- (a) whose unsecured and unsubordinated debt obligations have the following ratings:
  - (i) with respect to DBRS:

- (x) a long-term public or private rating at least equal to "A"; or
    - (y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or
    - (z) such other rating as may from time to time comply with DBRS' criteria; and
  - (ii) with respect to Moody's, a long-term rating at least equal to "Baa2" or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term rating by Moody's; or
- (b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

#### **The Quota Capital Account**

In addition to the Issuer's Accounts above, the Issuer has established a quota capital account (the "**Quota Capital Account**") with Deutsche Bank S.p.A., Milan, with IBAN code No. IT18B0310401604000000822269, for the deposit of the Issuer's quota capital.

## **RISK RETENTION REQUIREMENTS**

Under the Intercreditor Agreement, the Originator has undertaken that it will:

- (i) retain, on an on-going basis, a material net economic interest in the Securitisation of not less than 5 (five) per cent., in accordance with option (d) of Article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;
- (ii) not change the manner in which the net economic interest is held, unless expressly permitted by Article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;
- (iii) procure that any change to the manner in which such retained interest is held in accordance with paragraph (i) above will be notified to the Calculation Agent to be disclosed in the Transparency Investors Report; and
- (iv) comply with the disclosure obligations under Article 7(1)(e)(iii) (information about the risk retained) of the Securitisation Regulation and the applicable Regulatory Technical Standards ,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with Article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

## TRANSPARENCY REQUIREMENTS

### Introduction

Pursuant to Article 7 paragraph 1 of the Securitisation Regulation, the Originator and the Issuer shall make available to holders of a securitisation position in the Securitisation, including the Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors the following information:

- (i) information on the Receivables on a quarterly basis;
- (ii) all underlying documentation that is essential for the understanding of the transaction;
- (iii) the STS Notification;
- (iv) quarterly investor reports containing the following:
  - (a) all materially relevant data on the credit quality and performance of the Receivables;
  - (b) information on events which trigger changes in the Priority of Payments or the replacement of any counterparties, and data on the cash flows generated by the Receivables and by the liabilities of the Securitisation;
  - (c) information about the risk retained, including information on which of the modalities provided for in article 6(3) of the Securitisation has been applied, in accordance with article 6 of the Securitisation Regulation;
- (v) without undue delay, any inside information relating to the Securitisation that the Originator or the Issuer is obliged to make public in accordance with article 17 of Regulation (EU) No 596/2014 on insider dealing and market manipulation; and
- (vi) without undue delay, where point (v) does not apply, any significant event such as:
  - (a) a material breach of the obligations provided for in the documents made available in accordance with point (ii), including any remedy, waiver or consent subsequently provided in relation to such a breach;
  - (b) a change in the structural features that can materially impact the performance of the Securitisation;
  - (c) a change in the risk characteristics of the Securitisation or of the Loan Receivables that can materially impact the performance of the Securitisation;
  - (d) where the securitisation ceases to meet the STS Requirements or where competent authorities have taken remedial or administrative actions; and
  - (e) any material amendment to Transaction Documents.

Pursuant to article 7(2) of the Securitisation Regulation, the Originator and the Issuer shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (i), (ii), (iii), (iv), (v) and (vi) above (the "**Reporting Entity**").

The Reporting Entity shall make available such information by means of a securitisation repository, or, where no securitisation repository is registered in accordance with article 10 of the Securitisation Regulation, by means of a website meeting the requirements set forth by article 7(2) of the Securitisation Regulation.

## **Compliance with Article 7 of the Securitisation Regulation**

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator and the Issuer shall be responsible for compliance with the transparency requirement of Article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that, from the Restructuring Date, the Originator:

- (i) is designated and will act as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the Securitisation Regulation by making available the Transparency Loan Report, the Transparency Investor Report, the Significant Event Report and the other relevant information through the Securitisation Repository at the following website: <https://www.eurodw.eu/>;
- (ii) is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the Securitisation Regulation.

Under the Intercreditor Agreement, the Originator, in its capacity as Reporting Entity, has undertaken to publish and make available through the Securitisation Repository the information required to be disclosed to the Noteholders, the competent authorities referred to in Article 29 of the Securitisation Regulation and perspective noteholders, in accordance with Article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority).

In particular, the Reporting Entity undertakes to make available through the Securitisation Repository to such investors and entities, upon request, the information under point (a) of the first subparagraph of Article 7(1) as well as the information under points (b) and (d) of the first subparagraph of Article 7(1) of the Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European Data Warehouse is not registered in accordance with Article 10 of the Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the Securitisation Regulation.

As to pre-pricing information:

- (a) the Originator (also in its capacity as Initial Junior Noteholder) has confirmed that it has been, before pricing, in possession of (i) data relating to each Receivables (and therefore it has not requested to receive the information under point (a) of the first subparagraph of Article 7(1) of the Securitisation Regulation as well as the information under points (b), (c) and (d) of the first subparagraph of Article 7(1) of the Securitisation Regulation at least in draft form pursuant to Article 22(5) of the Securitisation Regulation and the EBA Guidelines on the STS Criteria, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to Article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

- (b) the Originator has confirmed that it has made available to the investors in the Notes before pricing (i) through the Securitisation Repository the information under point (a) of the first subparagraph of Article 7(1) upon request, as well as the information under points (b) and (d) of the first subparagraph of Article 7(1) of the Securitisation Regulation at least in draft form pursuant to Article 22(5) of the Securitisation Regulation and the EBA Guidelines on the STS Criteria, (ii) through the Securitisation Repository data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to Article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being as at the date hereof [www.bloomberg.com](http://www.bloomberg.com)) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the Securitisation Regulation and the EBA Guidelines on the STS Criteria.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

- (a) the Servicer shall prepare the Transparency Loan Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Transparency Loan Report (simultaneously with the Transparency Investor Report) to the investors in the Notes by no later than the Transparency Report Date;
- (b) the Calculation Agent shall prepare and deliver to the Reporting Entity:
  - (i) the Transparency Investors' Report within 1 (one) Business Days preceding the relevant Transparency Report Date, subject to the receipt of the Transparency Loan Report from the Servicer in accordance with the Servicing Agreement, in order for the Reporting Entity to make it available simultaneously with the Transparency Loan Report to the investors in the Notes by no later than the Transparency Report Date;
  - (ii) the Significant Event Report (i) in a timely manner, in case an inside information or significant event, including any material change of the Priority of Payments or any Trigger Event (within the respective meanings of Articles 7(1)(f) and (g) of the Securitisation Regulation) has occurred in order for the Reporting Entity to make it available without delay to the investors in the Notes, and (ii) in any case, whether an inside information or a significant event has occurred or not, on a quarterly basis together with the Transparency Investors' Report;
- (c) the Issuer shall deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Restructuring Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties); and
- (d) the Originator shall make available the final Transaction Documents and all the other documents listed under Article 7(1)(b) and 7(1)(d) to the investors in the Notes by no later than 15 (fifteen) days after the Restructuring Date,

in each case in accordance with the requirements provided by the Securitisation Regulation and the

applicable Regulatory Technical Standards.

Under the Intercreditor Agreement, the Originator has undertaken to make available through the website of Bloomberg (being, as at the date hereof, [www.bloomberg.com](http://www.bloomberg.com)) to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, a liability cash flow model (as updated from time to time) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Under the Intercreditor Agreement, the relevant parties thereto (each a "**Party**") have acknowledged and agreed that:

- (a) in no event RCI Banque Italy, in its capacity as Reporting Entity, shall be liable to the other parties thereto for any failure or delay in preparing or delivering the information required to be disclosed under Article 7 of the Securitisation Regulation if such failure is caused by the non-delivery or late delivery by any of the Parties of any information to be provided to the Reporting Entity pursuant to Clause 12 of the Intercreditor Agreement and the Transaction Documents (unless such non-delivery or late delivery is attributable to the non-delivery or late delivery of information to be provided by RCI Banque Italy to such Parties);
- (b) in no event RCI Banque Italy, in its capacity as Reporting Entity, shall be liable to the other Parties thereto for the accuracy and completeness of any information or data that has been provided to it pursuant to Clause 12 of the Intercreditor Agreement and the Transaction Documents nor for the compliance of any such information with the requirements of the Securitisation Regulation and the applicable Regulatory Technical Standards (unless any inaccuracy, incompleteness or non-compliance is attributable to the inaccuracy, incompleteness or non-compliance of information provided by RCI Banque Italy to such Parties); and
- (c) RCI Banque Italy, in its capacity as Reporting Entity, will not be under any obligation to verify, reconcile or recalculate any information or data provided to it by any Party pursuant to Clause 12 of the Intercreditor Agreement or the Transaction Documents and it shall be entitled to rely conclusively on such information and data for the purpose of fulfilling the information requirements provided for by Article 7 of the Securitisation Regulation (without prejudice to RCI Banque Italy's liability for the information provided by it to the relevant Parties). In case the information or data provided by a Party pursuant to Clause 12 of the Intercreditor Agreement or the Transaction Documents appears to be *prima facie* incomplete or to include any material mistakes, RCI Banque Italy shall liaise with the relevant Party to discuss in good faith such circumstance and obtain a new delivery of such information or data.

#### **Cooperation undertakings in relation to Securitisation Regulation rules**

Under the Intercreditor Agreement, the relevant Parties thereto (in relation to the respective role performed under the Securitisation) have undertaken to:

- (i) provide all reasonable cooperation to the Issuer and the Originator in order to ensure that the Securitisation is designated as "simple, transparent and standardised non-ABCP securitisation" and complies with the Securitisation Regulation and the STS Requirements;
- (ii) take any action, negotiate in good faith and execute any amendment or additional agreement, deed or document, make available authorised signatories, adequately qualified personnel and internal administrative resources, and perform such other supporting activities in each case as may reasonably be deemed necessary and/or expedient for the purposes of point (ii) above.

## COMPLIANCE WITH STS REQUIREMENTS

The Securitisation meets the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**").

The compliance of the Securitisation with the STS Requirements has been verified as of the Restructuring Date by Prime Collateralised Securities (PCS) EU SAS ("**PCS**"), in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation.

No assurance can be provided that the Securitisation does or will continue to qualify as an STS Securitisation under the Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS Securitisation status of a transaction is not static and that investors should verify the current status of the Securitisation on ESMA website.

The Originator will notify ESMA that the Securitisation meets the STS Requirements in accordance with article 27 of the Securitisation Regulation. The STS Notification in respect of the Securitisation will be publicly available on the following ESMA website: [STSnotifications@esma.europa.eu](mailto:STSnotifications@esma.europa.eu).

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

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

### 1. THE MASTER RECEIVABLES TRANSFER AGREEMENT

On 13 July 2015, the Originator and the Issuer entered into the Master Receivables Transfer Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Initial Portfolio. On 24 April 2018 the Master Receivables Transfer Agreement has been amended by the Master Amendment Agreement in order to, *inter alia*, extend the Revolving Period and, therefore, allow the Originator to assign and transfer to the Issuer Additional Portfolios (including the Increase Additional Portfolio) up to the end thereof. On 24 February 2021 the Master Receivables Transfer Agreement has been further amended by the Third Master Amendment Agreement in order to, *inter alia*, allow the Originator to assign and transfer to the Issuer the Increase Further Additional Portfolio.

As long as no Trigger Notice or Purchase Termination Notice has been delivered, on each Offer Date the Originator may offer for sale to the Issuer, which, subject to the criteria set out in the paragraph "*Portfolio Concentration Criteria*" of the section "*The Portfolio*", shall agree to purchase from the Originator, Additional Portfolios up to the end of the Revolving Period, pursuant to the terms and conditions set forth therein.

The Purchase Price in respect of the Initial Portfolio, the Increase Additional Portfolio, the Increase Further Additional Portfolio and of each Additional Portfolio is equal to the sum of all Individual Purchase Prices of the relevant Receivables. The Purchase Price in respect of the Initial Portfolio has been paid on the Issue Date using the net proceeds of the issue of the Notes. The Purchase Price in respect of the Increase Additional Portfolio has been paid on the Increase Date using the Issuer Principal Available Funds available as of the Increase Date and the net proceeds of the increase of the principal amount of the Notes. The Purchase Price in respect of the Increase Further Additional Portfolio will be paid on the Restructuring Date using the Issuer Principal Available Funds available as of the Restructuring Date and the net proceeds of the increase of the principal amount of the Notes. The Purchase Price in respect of each Additional Portfolio (if any) will be funded on the Payment Date immediately following the relevant Offer Date through the Issuer Available Funds available for such purposes under the Priority of Payments.

Pursuant to the Master Receivables Transfer Agreement, the Accrued Interest for each Receivables, as of the relevant Valuation Date, shall be included in the relevant Portfolio transferred to the Issuer hereunder and shall be paid back by the Issuer to the Originator once collected on the immediately following Payment Date in accordance with the applicable Priority of Payments.

The sale of the Initial Portfolio, the Increase Additional Portfolio and the Increase Further Additional Portfolio has been made, and the sale of any Additional Portfolio will be made, in accordance with article 58, paragraphs 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law).

Pursuant to the Master Receivables Transfer Agreement, the Originator and the Issuer have undertaken to perform, in respect of the transfer of the Initial Portfolio and the transfer of each

Additional Portfolio (including the Increase Additional Portfolio and the Increase Further Additional Portfolio), the formalities provided under article 58 of the Consolidated Banking Act, as applicable to securitisation transactions pursuant to article 4 of the Securitisation Law. Notice of the transfer of the Initial Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 82 of 18 July 2015 and was published in the companies register of Milan on 15 July 2015. Notice of the transfer of the Increase Additional Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana*, number 50 of 28 April 2018 and was published in the companies register of Milan on 3 May 2018. Notice of the transfer of the Increase Further Additional Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana*, number 27 of 4 March 2021 and was published in the companies register of Milan on 26 February 2021.

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

The Issuer has granted to the Originator, in accordance with article 1331 of the Italian civil code, an option pursuant to which on any date, the Originator may repurchase from the Issuer the outstanding Portfolio in accordance with the provisions of article 58 of the Consolidated Banking Act and subject to the conditions set out in the Master Receivables Transfer Agreement and Condition 8.3 (*Optional Redemption*) (the "**Clean-Up Call Option**"). The Issuer has undertaken in the Master Receivables Transfer Agreement to apply the purchase price received by the Originator following the exercise by the latter of the Clean-Up Call Option in performing the optional redemption of the Senior Notes (in whole but not in part) and the Class J Notes (in whole or in part) at their Principal Amount Outstanding, together with interest accrued (but unpaid) thereon in accordance with and subject to the provisions of Condition 8.3 (*Optional Redemption*).

In addition, under the Master Receivables Transfer Agreement, the Issuer has granted to the Originator, in accordance with article 1331 of the Italian civil code, an option pursuant to which the Originator may repurchase from the Issuer individual Receivables included in the outstanding Portfolio, subject to the conditions and limits set out therein.

The Master Receivables Transfer Agreement is governed by, and shall be construed in accordance with, Italian law.

## 2. THE SERVICING AGREEMENT

On 13 July 2015, the Issuer, RCI Banque Italy and Zenith Service S.p.A. entered into the Servicing Agreement, pursuant to which the Issuer has appointed RCI Banque Italy as Servicer of the Receivables. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the provisions of article 2, paragraph 6-*bis* of the Securitisation Law.

The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Pursuant to the Servicing Agreement, the Servicer shall transfer any amounts

collected or recovered from the Receivables to the Collection Account within 1 Business Day following the relevant date of receipt by the Servicer.

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

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that, *inter alia*, (i) it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement and (ii) it has more than 5 (five) year-expertise in servicing exposures of a similar nature to the Receivables and it has well- documented and adequate policies, procedures and risk-management controls relating to the servicing of the Receivables in accordance with article 21(8) of the Securitisation Regulation.

Pursuant to the Servicing Agreement, the Servicer has undertaken to fully disclose to the investors in the Notes without undue delay (i) the underwriting standards pursuant to which the Receivables are originated; and (ii) any material change from prior underwriting standards pursuant to Article 20(10) of the Securitisation Regulation and the EBA Guidelines on the STS Criteria.

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

Pursuant to the Servicing Agreement, the Servicer has undertaken, *inter alia*, to prepare, on a monthly basis, the Loan-by-Loan Database, substantially in the form set out in the Servicing Agreement, providing key information relating to the amortisation of the Portfolio and the Servicer's activity during the relevant preceding period, including, without limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections and Recoveries during the relevant preceding period and a performance analysis. Furthermore, pursuant to the Servicing Agreement the Servicer shall prepare, on a quarterly basis, and deliver to the Calculation Agent and the Reporting Entity the Transparency Loan Report setting out the information required by Article 7(1)(a) of the Securitisation Regulation and the Regulatory Technical Standards (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, if available).

Pursuant to the Servicing Agreement, the Servicer is entitled to grant the Moratorium in respect to the Loan Agreements, in accordance with the Collection Policies and the internal procedures implemented by RCI Banque Italy, upon prior written notice to the Issuer, the Representative of the Noteholders and the Calculation Agent and in accordance with the terms of the Servicing Agreement. Without prejudice to the foregoing, the Servicer is not entitled to make any settlement agreements, grant payment extensions or moratorium or achieve similar arrangements in relation to the Receivables, other than the Defaulted Receivables pursuant to and in accordance with the Collection Policies.

Furthermore, pursuant to the Servicing Agreement, RCI Italy has appointed Zenith Service S.p.A., to act as its sub-agent in the name and on behalf of the Servicer and in the interest of the Issuer and the Noteholders, in order to perform the activities provided for thereunder (the "**Master Servicer**").

In particular, the Master Servicer shall prepare, on a monthly basis, and submit to, amongst

others, the Issuer, the Servicer's Report, in the form which will be set out in the Servicing Agreement, subject to receipt of the Loan-by-Loan Database and any other necessary information in relation to the Portfolio from the Servicer. The Servicer's Report will contain a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio.

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

- (a) an Insolvency Event occurs in respect of the Servicer;
- (b) the Servicer fails to make any payment or deposit required to be made by it pursuant to the Servicing Agreement (including, without limitation, any failure to transfer the Collections and Recoveries in accordance with the provisions set forth in Clause 4) or any other Transaction Document to which it is a party, within two (2) Business Days from the date on which such payment or deposit is due, unless this is due to technical or administrative errors and payment is made within 5 Business Days from the date on which such payment or deposit is due; or
- (c) the Servicer defaults in the performance or observance of any of its obligations under or in respect of the Servicing Agreement (other than those described under paragraph (b) above) or any of the Transaction Documents to which it is a party which (including, for the avoidance of doubt, the default by the Servicer in the supply of the Loan-by-Loan Database to the Master Servicer and the default by the Master Servicer in the preparation and delivery of the Servicer's Report pursuant to Clause 2.1.3(a) and 2.1.3(b) of the Servicing Agreement), in the Representative of Noteholders' opinion materially adversely affects the administration, collection and/or recovery of the Receivables or is materially prejudicial to the interests of the Noteholders and such default remains unremedied for 2 (two) Business Days after the Representative of Noteholders having given written notice thereof to the Servicer and the Representative of the Noteholders requiring such default to be remedied; or
- (d) any of the representations and warranties given by the Servicer under the Servicing Agreement or any of the Transaction Documents to which it is party, or proves to have been, incorrect or erroneous in any respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within 10 (ten) Business Days after the Issuer having given written notice thereof to the Servicer and the Representative of the Noteholders requiring the same to be remedied; or
- (e) it is or will become unlawful for the Servicer to perform or comply with any of its obligations under or in respect of the Servicing Agreement or any of the Transaction Documents to which it is a party; or
- (f) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Servicer.

Upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, the Issuer, with the cooperation of the Servicer or the Representative of the Noteholders, as the case may be, shall promptly appoint a successor of the Servicer which shall meet the requirements set forth under the Servicing Agreement.

The Servicing Agreement is governed by, and shall be construed in accordance with, Italian law.

### 3. THE WARRANTY AND INDEMNITY AGREEMENT

On 13 July 2015, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Initial Portfolio and in each Additional Portfolio and certain other matters, and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

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

The Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, the Receivables assigned to the Issuer (i) are valid, in existence and in compliance with the Criteria, and (ii) relate to Loan Agreements which have been entered into, executed and performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law and the Consumer Credit Legislation). Such representations and warranties are given by the Originator:

- (a) with respect to the Receivables comprised in the Initial Portfolio, as of the relevant Valuation Date, as of the date of execution of the Master Receivables Transfer Agreement, as of the Issue Date and as of the Restructuring Date; and
- (b) with respect to the Receivables comprised in any Additional Portfolio, as of the relevant Valuation Date, as of the relevant Transfer Date of such Additional Portfolio and as of the date of payment of the Purchase Price for such Additional Portfolio.

Under the Warranty and Indemnity Agreement, in respect of the Receivables comprised in the Portfolio the Originator has represented and warranted that, *inter alia*:

- (a) the Receivables are existing and constitute legal, valid, binding and enforceable obligations of the Debtors and, with reference to the Insurance Policies, of the Insurance Companies (save for the application of the Italian Bankruptcy Law or any other provisions applicable to the creditors' rights);
- (b) save for those Receivables which have been assigned to Alliance Auto Loans – Italy S.r.l. under the previous securitisation made by RCI Banque Italy as originator and, thereafter, retransferred to the Originator under the Repurchase Agreement, the Originator has not assigned (whether absolutely or by way of security), charged, transferred or otherwise disposed of any of its rights, title and interests to the Loan Agreements, the Loans, the Receivables, the Insurance Policies, the Mortgages and/or any other Collateral Security, or has otherwise created or granted, or allowed any third parties to create or grant, any lien, pledge, encumbrance, or any other right, claim or beneficial interest of any third party or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Master Receivables Transfer Agreement, other than those provided for under the Loan Agreements, the Loans, the Receivables, the Insurance Policies, the Mortgages and/or any other Collateral Security;

- (c) as at the relevant Valuation Date and as at the relevant Transfer Date, the Receivables comprised in each Portfolio are homogeneous in terms of asset type (article 20(8) of the Securitisation Regulation and the applicable Regulatory Technical Standards), taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that:
  - (i) the Receivables have been originated by the Originator, as lender, in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables;
  - (ii) the Receivables are and have been serviced by the Originator according to similar servicing procedures;
  - (iii) the Receivables arise from auto loans and, therefore, shall fall within the asset types "*auto loans and leases*" set out under Article 1 (*Homogeneity of underlying exposures*), letter (a)(v) of the Regulatory Technical Standards on homogeneity approved by the European Commission on 28 May 2019 (the "**Regulatory Technical Standards on Homogeneity**"); and
  - (iv) within such category "*auto loans and leases*", the Receivables satisfy the homogeneity factor set out under Article 2 (*Homogeneity factors*), paragraph 4, letter (b) of the Regulatory Technical Standards on Homogeneity, since the Debtors are resident in Italy;
- (d) the Receivables have been originated by the Originator in the ordinary course of its business pursuant to credit policies that are not less stringent than the credit policies applied by the Originator at the time of origination to similar exposures that are not assigned under the Securitisation (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria);
- (e) the Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables (article 20(10) EU Securitisation Regulation and the EBA Guidelines on STS Criteria);
- (f) the Debtors' creditworthiness has been assessed by the Originator in accordance with the requirements set out in article 124-*bis* of the Consolidated Banking Act implementing in Italy the provisions of article 8 of Directive 2008/48/EC;
- (g) as at the relevant Valuation Date, each Portfolio does not include Receivables qualified as exposure in default within the meaning of Article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria):
  - (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the relevant Transfer Date, except if: (A) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the relevant Transfer Date; and (B) the information provided by the Originator to the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of

Article 7(1), of the EU Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; or

- (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or in the absence of such public credit registry, in another credit registry available to the Originator; or
- (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been securitised;
- (h) the Loans are auto loans whose repayment is not dependent on the sale of the relevant Vehicle (article 20(13) of the Securitisation Regulation);
- (i) each Portfolio does not comprise (i) any transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU (article 20(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria), (ii) any securitisation positions, pursuant (article 20(9) of the Securitisation Regulation and the EBA Guidelines on STS Criteria), nor (iii) any derivatives (article 21(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria).

Pursuant to the Warranty and Indemnity Agreement (and subject to the terms and conditions thereunder), the Originator has agreed to indemnify and hold harmless the Issuer, any of its officers or agents or any of its respective permitted assignees from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any liability and/or claim raised by any third party against the Issuer, as owner of the Receivables, as a result of any negligent act or omission by the Originator with respect to the Receivables, the servicing and collection thereof or from any default by the Originator to perform its obligations under the Transaction Documents; (d) the failure of the terms and conditions of any Loan Agreement to comply with the provision of article 1283 or article 1346 of the Italian civil code, until the Execution Date with reference to the Receivables comprised in the Initial Portfolio or until the relevant Transfer Date with reference to the Receivables comprised in each Additional Portfolio (as the case may be); (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreement; (f) the termination by the Debtor of the relevant Loan Agreement in the event of material breach by the Dealer of the provisions of the sale agreement of the vehicle, in accordance with article 125-*quinquies* of the Italian Banking Act; (g) the exercise of any claw-back actions (*azione revocatoria*) in respect of any security interest relating to the Receivables; (h) the fact that the Originator has cancelled, released, reduced or waived (in whole or in part) any Collateral Security or the Originator, also in its capacity as Servicer, has not created and registered in favour of the Issuer any Mortgage in accordance with the relevant Loan Agreement and the Servicing Agreement (including, without limitation, in the event that this circumstance results from the breach by the Debtor of its obligation to not sell the relevant vehicle(s) under the relevant Loan Agreement); or (i) any amount of any Receivable not being collected or recovered by the Issuer as a consequence of the proper and legal exercise by any Debtor and/or any Insurance Company and/or any insolvency receiver of any right of termination or withdrawal, or other claims and/or counterclaims, including any set-off, against the Originator in relation to any Loan Agreement, Loan, Insurance Policy, or other Collateral Security and any other

connected act or document, including, without limitation, any claim and/or counterclaim deriving from the non-compliance with the provisions of the Consumer Protection Law, any transparency law, the Usury Law, any provisions regarding the enforceability of the transfer of the Receivables or any other law applicable to the Loans.

The Warranty and Indemnity Agreement is governed by, and shall be construed in accordance with, Italian law.

#### 4. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

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

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

- (a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Collection Account, the Payments Account, the Reserve Account and the Expenses Account (together, the "**Issuer's Accounts**") and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of each of the Issuer's Accounts;
- (b) the Corporate Servicer has agreed to operate the Expenses Account held with the Account Bank, in accordance with the instructions of the Issuer and the provisions of the Cash Allocation, Management and Payments Agreement;
- (c) the Calculation Agent has agreed to provide the Issuer with certain calculation services;
- (d) the Principal Paying Agent has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes
- (e) the Listing Agent has agreed to act as listing agent of the Issuer in Luxembourg in respect of the Senior Notes; and
- (f) the Cash Manager has agreed to invest, on behalf of the Issuer, any funds standing to the credit of the Collection Account and the Reserve Account (together, the "**Cash Accounts**") in Eligible Investments selected in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

All the Issuer's Account held with the Account Bank shall be opened in the name of the Issuer and shall be operated by the Account Bank and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement.

In addition, pursuant to the Cash Allocation, Management and Payments Agreement the Calculation Agent has undertaken to prepare and deliver to the Reporting Entity:

- (a) within the Transparency Report Date, the Transparency Investors' Report, in order for the Reporting Entity to make it available to the investors in the Notes in accordance with the Intercreditor Agreement;
- (b) the Significant Event Report (i) in a timely manner, in case an inside information or significant event (within the respective meanings of articles 7(1)(f) and (g) of the

Securitisation Regulation) has occurred, in order for the Reporting Entity to make it available without delay to the investors in the Notes in accordance with the Intercreditor Agreement, and (ii) in any case, whether an inside information or a significant event has occurred or not, on a quarterly basis together with the Transparency Investors' Report.

The Cash Allocation, Management and Payments Agreement is governed by, and shall be construed in accordance with, Italian law.

## 5. THE INTERCREDITOR AGREEMENT

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

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

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

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that RCI Banque Italy is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Restructuring Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation. In addition, each of the Issuer and the Originator has agreed that RCI Banque Italy is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27, paragraph 1, of the Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that the disposal of Receivables is permitted only in the following circumstances: (A) from the Issuer to the Originator, in case of repurchase of individual Receivables in order for the Originator to maintain its commercial relationships with its customers pursuant to and within the limits set forth in Clause 13.1 (*Repurchase option of individual Receivables*) of the Master Receivables Transfer Agreement; (B) from the Issuer to the Originator, in case of exercise the Clean-Up Call Option by the Originator for the repurchase of all the Receivables outstanding as of the date of exercise of such option pursuant to and within the limits set forth in Clause 13.2 (*Clean-Up Call Option*) of the Master Receivables Transfer Agreement; (C) from the Issuer to the Originator, in case of the retransfer of the Receivables that do not comply with the representations and warranties set out under the Warranty and Indemnity Agreement pursuant to and in accordance with clause 5.6 (*Repurchase by the Originator of the Non Conforming Receivables*) of the Warranty and Indemnity Agreement; (D) from the Issuer to Originator, in case of repurchase of the Portfolio in the context of an early redemption of the Notes pursuant to and in accordance with Condition 8.3

(*Optional redemption*) or Condition 8.4 (*Optional redemption in whole for taxation reasons*) and (E) from the Issuer (or the Representative of the Noteholders on its behalf) to third parties in case of disposal of the Portfolio following the delivery of a Trigger Notice pursuant to Condition 12.4 (*Consequences of delivery of Trigger Notice*). Therefore, no active portfolio management within the meaning of article 20(7) of the Securitisation Regulation and the EBA Guidelines on STS Criteria is allowed.

The Intercreditor Agreement is governed by, and shall be construed in accordance with, Italian law.

## **6. THE CORPORATE SERVICES AGREEMENT**

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

The Corporate Services Agreement is governed by, and shall be construed in accordance with, Italian law.

## **7. THE MANDATE AGREEMENT**

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

The Mandate Agreement is governed by, and shall be construed in accordance with, Italian law.

## **8. THE DEED OF PLEDGE**

### **The Deed of Pledge**

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Deed of Pledge under which, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation Law securing the discharge of the Issuer's obligations to the Noteholders, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors (i) all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to certain Transaction Documents, with the exclusion of the Portfolio and the Collections, and (ii) all the monies standing from time to time to the credit of each of the Issuer's Accounts. The security created pursuant to the Deed of Pledge will become enforceable upon the service of a Trigger Notice.

The Deed of Pledge is governed by, and shall be construed in accordance with, Italian law.

### **The Supplemental Deed of Pledge**

On or about the Increase Date, the Issuer and the Representative of the Noteholders entered into the Supplemental Deed of Pledge in accordance with the provisions of the Deed of Pledge. Under the Supplemental Deed of Pledge, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation Law securing the discharge of the

Issuer's obligations to the Noteholders, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to the Master Amendment Agreement.

The Supplemental Deed of Pledge is governed by, and shall be construed in accordance with, Italian law.

### **The Second Supplemental Deed of Pledge**

On 14 May 2020, the Issuer and the Representative of the Noteholders entered into the Second Supplemental Deed of Pledge in accordance with the provisions of the Deed of Pledge. Under the Second Supplemental Deed of Pledge, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation Law securing the discharge of the Issuer's obligations to the Noteholders, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to the Second Master Amendment Agreement.

The Second Supplemental Deed of Pledge is governed by, and shall be construed in accordance with, Italian law.

### **The Third Supplemental Deed of Pledge**

On or about the Restructuring Date, the Issuer and the Representative of the Noteholders entered into the Third Supplemental Deed of Pledge in accordance with the provisions of the Deed of Pledge. Under the Third Supplemental Deed of Pledge, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation Law securing the discharge of the Issuer's obligations to the Noteholders, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled to from time to time pursuant to the Third Master Amendment Agreement and the Fourth Master Amendment Agreement.

The Third Supplemental Deed of Pledge is governed by, and shall be construed in accordance with, Italian law.

## **9. THE QUOTAHOLDERS' AGREEMENT**

On or about the Issue Date, the Issuer, the Quotaholder and the Representative of the Noteholders entered into the Quotaholders' Agreement under which the Quotaholder has agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Issuer (other than as otherwise required by any applicable law) and not to pledge, charge or dispose of the quotas of the Issuer without the prior written consent of the Representative of the Noteholders.

The Quotaholders' Agreement is governed by, and will be construed in accordance with, Italian law.

## **10. THE QUOTAHOLDER CORPORATE SERVICES AGREEMENT**

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

The Quoatholder Corporate Services Agreement is governed by, and shall be construed in accordance with, Italian law.

## 11. THE MASTER AMENDMENT AGREEMENT

On or about the Increase Date, the Originator and the Issuer entered into the Master Amendment Agreement, pursuant to which provision is made, *inter alia*, as to the extension of the Revolving Period, the assignment and transfer of the Increase Additional Portfolio, the increase of the notional amount of the Senior Notes, the payment by the Issuer of the purchase price of the Increase Additional Portfolio on the Increase Date, the partial early redemption of the Junior Notes and the amendment of certain provisions of the Transaction Documents, also for taking into account the transfer of the Increase Additional Portfolio.

In particular, under the terms of the Master Amendment Agreement, the parties thereto have agreed and acknowledged to extend the Revolving Period and, therefore, that the undertaking of the Issuer to purchase any Additional Portfolio offered by the Originator in accordance with the provisions set forth by the Master Receivable Transfer Agreement (as amended by the Master Amendment Agreement) shall be valid and effective for a period of 30 (thirty) months from the Increase Date or, if earlier, upon service of a Purchase Termination Notice.

Furthermore, the parties to the Master Amendment Agreement have acknowledged that, pursuant to the Master Receivable Purchase Agreement (as amended by the Master Amendment Agreement), the Originator shall transfer to the Issuer the Increase Additional Portfolio in accordance with the provisions of the Master Receivables Transfer Agreement (as amended by the Master Amendment Agreement) and the Increase Additional Portfolio Transfer Agreement.

Subject to the terms and conditions of the Master Amendment Agreement, the Issuer has undertaken to RCI Banque S.A., in its capacity as sole Senior Noteholder, to increase the notional amount of the Senior Notes of €402,400,000 no later than noon (Italian Time) on 9 May 2018 (the "**Increase Date**").

RCI Banque S.A., in its capacity as sole Senior Noteholder, has agreed to subscribe and pay, on the Increase Date, for the increase of the notional amount of the Senior Notes, in a principal amount equal to Euro 513,781,192.47 multiplied by the relevant Pool Factor as at the Increase Date.

Under the terms of the Master Amendment Agreement, the Issuer has applied the proceeds deriving from the increase of the notional amount of the Notes to:

- (i) pay the Purchase Price of the Increase Additional Portfolio;
- (ii) partially early redeem the Junior Notes for an amount equal to € 53,300,000.00; and
- (iii) to credit into the Reserve Account an amount to bring the balance of such account up to the Required Reserve Amount,

provided that, after the payments set out in (i) to (iii) above, any remaining amount has been credited to the Payments Account.

RCI Banque S.A. and RCI Banque Italy, being the holders of all the outstanding Notes, have instructed and authorised, pursuant to Article 23 (*Written Resolution*) of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders to execute and enter into the Master Amendment Agreement, the Increase Additional Portfolio Transfer Agreement, the Supplemental Deed of Pledge and any other document necessary or appropriate to complete the

restructuring of the Securitisation and to give their written consent to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Master Amendment Agreement, the Increase Additional Portfolio Transfer Agreement, the Supplemental Deed of Pledge and any other document necessary or appropriate to complete the restructuring of the Securitisation.

Zenith, in its capacity as Representative of the Noteholders, on the basis of the instructions received by the RCI Banque S.A. and RCI Banque Italy pursuant to Clause 6.2 (*Instructions and authorisations*), has agreed, authorised and consented to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Master Amendment Agreement, the Increase Additional Portfolio Transfer Agreement and the Supplemental Deed of Pledge and to agree to the relevant amendments of the Transaction Documents.

The Master Amendment Agreement is governed by, and shall be construed in accordance with, Italian law.

## 12. THE SECOND MASTER AMENDMENT AGREEMENT

On 14 May 2020, the Originator and the Issuer entered into the Second Master Amendment Agreement, pursuant to which provision is made, *inter alia*, as to the amendment of the Transaction Documents for the purpose of preventing any potential negative impact on the Securitisation due to the financial difficulties caused by the Covid-19 outbreak and, in particular, in order to, *inter alia*:

- (i) allow RCI Banque Italy, acting in its capacity as Servicer, to grant, in accordance with the terms set out under the Servicing Agreement and the Collection Policies, voluntary deferral of payments of the Instalments due in respect of the Receivables (the "**Voluntary Moratorium**") arising out from the Loan Agreements to which the deferral of payments envisaged under Law Decree No. 18 of 17 March 2020 (the "**Cura Italia Decree**") for the Loans having the terms and conditions set forth in the article 56 of the Cura Italia Decree (the "**Legal Moratorium**") does not apply; and
- (ii) provide for the granting of the Subordinated Loan by RCI Banque Italy to the Issuer in order to prevent any potential negative impact on the Securitisation in terms of shortfall in the amount of the Collection deriving from the Receivables due to the Voluntary Moratorium and the Legal Moratorium.

RCI Banque S.A. and RCI Banque Italy, being the holders of all the outstanding Notes, have instructed and authorised, pursuant to Article 23 (*Written Resolution*) of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders to execute and enter into the Second Master Amendment Agreement and the Second Supplemental Deed of Pledge and any other document necessary or appropriate to carry out the amendments to the Securitisation as described under the Second Master Amendment Agreement and to give their written consent to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Second Master Amendment Agreement and the Second Supplemental Deed of Pledge and any other document necessary or appropriate carry out the amendments to the Securitisation as described thereunder.

Zenith, in its capacity as Representative of the Noteholders, on the basis of the instructions received by the RCI Banque S.A. and RCI Banque Italy pursuant to Clause 6.2 (*Instructions and authorisations*), has agreed, authorised and consented to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Second

Master Amendment Agreement and the Second Supplemental Deed of Pledge and to agree to the relevant amendments of the Transaction Documents.

The Second Master Amendment Agreement is governed by, and shall be construed in accordance with, Italian law.

### 13. **THE THIRD MASTER AMENDMENT AGREEMENT**

On 24 February 2021, the Originator and the Issuer entered into the Third Master Amendment Agreement, pursuant to which provision is made, *inter alia*, the assignment and transfer of the Increase Further Additional Portfolio and certain amendments to the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement which were necessary in connection with the transfer to the Issuer of the Increase Further Additional Portfolio so as to, *inter alia*, make the Securitisation compliant with the STS Requirements provided for by article 19 *et seq* of the Securitisation Regulation.

In particular, the parties to the Third Master Amendment Agreement have acknowledged that, pursuant to the Master Receivable Purchase Agreement (as amended by the Third Master Amendment Agreement), the Originator shall transfer to the Issuer the Increase Further Additional Portfolio in accordance with the provisions of the Master Receivables Transfer Agreement (as amended by the Third Master Amendment Agreement) and the Increase Further Additional Portfolio Transfer Agreement.

RCI Banque S.A. and RCI Banque Italy, being the holders of all the outstanding Notes, have instructed and authorised, pursuant to Article 23 (*Written Resolution*) of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders to execute and enter into the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement and any other document necessary or appropriate to complete the restructuring of the Securitisation and to give their written consent to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement and any other document necessary or appropriate to complete the restructuring of the Securitisation.

Zenith, in its capacity as Representative of the Noteholders, on the basis of the instructions received by the RCI Banque S.A. and RCI Banque Italy pursuant to Clause 4.2 (*Instructions and authorisations*), has agreed, authorised and consented to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Third Master Amendment Agreement, to agree to the amendments of the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement which were necessary in connection with the transfer to the Issuer of the Increase Further Additional Portfolio so as to, *inter alia*, make the to make the Securitisation compliant with the STS Requirements provided for by article 19 *et seq* of the Securitisation Regulation and to any other relevant amendments of the provisions of the Transaction Documents.

The Third Master Amendment Agreement is governed by, and shall be construed in accordance with, Italian law.

### 14. **THE FOURTH MASTER AMENDMENT AGREEMENT**

On or about the Restructuring Date, the Originator and the Issuer entered into the Fourth Master Amendment Agreement, pursuant to which provision is made, *inter alia*, as to the extension of the Revolving Period the increase of the notional amount of the Senior Notes and of the Junior

Notes, the payment by the Issuer of the purchase price of the Increase Further Additional Portfolio on the Restructuring Date, certain amendments to the Transaction Documents (other than the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement) to make the Securitisation compliant with the STS Requirements provided for by article 19 *et seq* of the Securitisation Regulation, and other relevant amendments to the provisions of the Transaction Documents, also for taking into account the transfer of the Increase Further Additional Portfolio.

In particular, under the terms of the Fourth Master Amendment Agreement, the parties thereto have agreed and acknowledged to extend the Revolving Period and, therefore, that the undertaking of the Issuer to purchase any Additional Portfolio offered by the Originator in accordance with the provisions set forth by the Master Receivable Transfer Agreement (as amended by the Master Amendment Agreement) shall be valid and effective for a period of 36 (thirty-six) months from the Restructuring Date or, if earlier, upon service of a Purchase Termination Notice.

Furthermore, the parties to the Fourth Master Amendment Agreement have acknowledged that, pursuant to the Master Receivable Purchase Agreement (as amended by the Third Master Amendment Agreement), the Originator have transferred to the Issuer the Increase Further Additional Portfolio in accordance with the provisions of the Master Receivables Transfer Agreement (as amended by the Third Master Amendment Agreement) and the Increase Further Additional Portfolio Transfer Agreement.

Subject to the terms and conditions of the Fourth Master Amendment Agreement, the Issuer has undertaken to RCI Banque S.A. and RCI Banque Italy, each in its capacity as sole Senior Noteholder and Junior Noteholder, that no later than noon (Italian Time) on 8 March 2021 (the "**Restructuring Date**") it will increase the notional amount of the Senior Notes of Euro 477,400,000.00 and the notional amount of the Junior Notes of Euro 4,100,000.00.

Each of RCI Banque S.A. and RCI Banque Italy, each in its capacity as, respectively, sole Senior Noteholder and sole Junior Noteholder, has agreed to subscribe and pay, on the Restructuring Date, (i) as regards RCI Banque S.A., for the increase of the notional amount of the Senior Notes, in a principal amount equal to Euro 722,013,807.46, and (ii) as regards RCI Banque Italy, for the increase of the notional amount of the Junior Notes, in a principal amount equal to Euro 57,400,000.00, both multiplied by the relevant Pool Factor as at the Restructuring Date.

Under the terms of the Fourth Master Amendment Agreement, the Issuer will apply the proceeds deriving from the increase of the notional amount of the Notes to:

- (i) pay the Purchase Price of the Increase Further Additional Portfolio; and
- (ii) to credit into the Reserve Account an amount to bring the balance of such account up to the Required Reserve Amount,

it being understood that, after the payments set out in (i) to (ii) above, any remaining amount will be credited to the Payments Account.

RCI Banque S.A. and RCI Banque Italy, being the holders of all the outstanding Notes, have instructed and authorised, pursuant to Article 23 (*Written Resolution*) of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders to execute and enter into the Fourth Master Amendment Agreement and the Third Supplemental Deed of Pledge and any other document necessary or appropriate to complete the restructuring of the Securitisation and to give their written consent to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms

and Conditions of the Notes to execute and enter into the Fourth Master Amendment Agreement and the Third Supplemental Deed of Pledge and any other document necessary or appropriate to complete the restructuring of the Securitisation.

Zenith, in its capacity as Representative of the Noteholders, on the basis of the instructions received by the RCI Banque S.A. and RCI Banque Italy pursuant to Clause 7.2 (*Instructions and authorisations*), has agreed, authorised and consented to the Issuer pursuant to Condition 5 (*Covenants*) of the Terms and Conditions of the Notes to execute and enter into the Fourth Master Amendment Agreement and the Third Supplemental Deed of Pledge, to agree to the amendments of the Transaction Documents (other than the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement) to make the to make the Securitisation compliant with the STS Requirements provided for by article 19 *et seq* of the Securitisation Regulation and to any other relevant amendments of the provisions of the Transaction Documents.

The Fourth Master Amendment Agreement is governed by, and shall be construed in accordance with, Italian law.

#### 15. **THE INCREASE ADDITIONAL PORTFOLIO TRANSFER AGREEMENT**

On or about the Increase Date, the Originator and the Issuer entered into the Increase Additional Portfolio Transfer Agreement, pursuant to which the Originator offered (pursuant to article 1329 of the Italian Civil Code) to transfer and assign to the Issuer, without recourse (*pro soluto*), pursuant to the Securitisation Law, and the Issuer accepted to purchase, the Receivables comprised in the Increase Additional Portfolio, including all privileges and guarantees, of any kind or nature, granted by any person or otherwise existing in favour of the Originator, and rights related to such Receivables and/or instrumental to the exercise of any rights, claims, powers and actions with respect to such Receivables.

The purchase price for the Increase Additional Portfolio is equal to Euro 504.898.363,59 and has been paid by the Issuer on the Increase Date out of the proceeds of the increase of the Notes in accordance with the Master Amendment Agreement.

The Issuer, with the co-operation of the Originator, has undertaken to perform all the formalities for the enforceability of the transfer of the Increase Additional Portfolio set forth by the Master Receivables Transfer Agreement.

Furthermore, the Originator has given certain representation and warranties to the Issuer in relation to, *inter alia*, the Increase Additional Portfolio in accordance with the provisions of the Warranty and Indemnity Agreement.

The Increase Additional Portfolio Transfer Agreement is governed by, and shall be construed in accordance with, Italian law.

#### 16. **THE INCREASE FURTHER ADDITIONAL PORTFOLIO TRANSFER AGREEMENT**

On 24 February 2021, the Originator and the Issuer entered into the Increase Further Additional Portfolio Transfer Agreement, pursuant to which the Originator offered (pursuant to article 1329 of the Italian Civil Code) to transfer and assign to the Issuer, without recourse (*pro soluto*), pursuant to the Securitisation Law, and the Issuer accepted to purchase, the Receivables comprised in the Increase Further Additional Portfolio, including all privileges and guarantees, of any kind or nature, granted by any person or otherwise existing in favour of the Originator, and rights related to such Receivables and/or instrumental to the exercise of any rights, claims,

powers and actions with respect to such Receivables.

The purchase price for the Increase Further Additional Portfolio is equal to Euro 879,971,635.15 and has been paid by the Issuer on the Restructuring Date out of the proceeds of the increase of the Notes in accordance with the Third Master Amendment Agreement.

The Issuer, with the co-operation of the Originator, has undertaken to perform all the formalities for the enforceability of the transfer of the Increase Further Additional Portfolio set forth by the Third Master Receivables Transfer Agreement.

Furthermore, the Originator has given certain representation and warranties to the Issuer in relation to, *inter alia*, the Increase Further Additional Portfolio in accordance with the provisions of the Warranty and Indemnity Agreement.

The Increase Further Additional Portfolio Transfer Agreement is governed by, and shall be construed in accordance with, Italian law.

#### 17. **THE SUBORDINATED LOAN AGREEMENT**

On 14 May 2020, RCI Banque Italy, in its capacity as Loan Provider, and the Issuer entered into the Subordinated Loan Agreement, pursuant to which the Loan Provider agreed to make available to the Issuer a loan in one or more drawings for the purpose of cover any shortfall in the Issuer Available Funds deriving from the Moratorium granted by the Issuer with respect to the Loan Agreements in accordance with the terms of the Servicing Agreement and the Second Master Amendment Agreement.

In particular, the Loan Provider has undertaken, for the period on which the Moratorium may be applied to the Loan Agreements, to credit or otherwise make available to the Issuer on the Collection Account one or more drawings on a monthly basis in accordance with the terms set out under the Subordinated Loan Agreement.

Pursuant to the Subordinated Loan Agreement, any of such drawing shall be credited in an amount equal to the any shortfall in the Issuer Available Funds occurred in respect of the Receivables due to the Moratorium in each relevant Collection Period and shall be reimbursed out of the Issuer Available Funds in accordance with the applicable Priority of Payments.

The Subordinated Loan Agreement is governed by, and shall be construed in accordance with, Italian law.

## TERMS AND CONDITIONS OF THE SENIOR NOTES

*This Prospectus has been prepared and approved in connection with the increase of the Senior Notes as at the Restructuring Date. The Class A Notes Increased Principal Amount is equal to €1,834,800,000.00. The principal amount of €722,013,807.46 is to be consolidated and form a single series with the Principal Amount Outstanding of €1,112,786,193 of the Senior Notes as at the Restructuring Date. The following section set out the Terms and Conditions of the Senior Notes following the increase of €722,013,807.46 of their principal amount. The total principal amount of the Senior Notes being admitted to trading is equal to €1,834,800,000.00. The notional amount of the Senior Notes will be increased for an amount of €477,400,000.00 in order to maintain the same pool factor (being the Principal Amount Outstanding of the Senior Notes as at the Restructuring Date divided by the Aggregate Notional Amount of the Senior Notes) for the Senior Notes as increased on the Restructuring Date. The aggregate notional amount (being the Principal Amount Outstanding of the Senior Notes divided by the relevant pool factor) of the Senior Notes is equal to €1,834,800,000.00.*

*The following is the text of the terms and conditions of the Senior Notes. In these Senior Notes Conditions, references to the "holder" of a Senior Note and to the "Senior Noteholders" are to the ultimate owners of the Senior Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-bis of the Italian Financial Act and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time. The Senior Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Senior Notes Conditions.*

The €1,834,800,000 Class A Asset Backed Fixed Rate Notes due March 2038 (the "**Class A Notes**" or the "**Senior Notes**") have been increased by the Issuer as of the Restructuring Date.

In particular, in the context of the Securitisation, the Issuer:

- (a) on 23 July 2015 (the "**Issue Date**"), issued the € 995,000,000 Class A Asset Backed Fixed Rate Notes due 2031 and the € 291,500,000 Class J Asset Backed Variable Return Notes due 2031, to finance the purchase of the Initial Portfolio from RCI Italy pursuant to the terms and conditions of the Master Receivables Transfer Agreement; and
- (b) on 9 May 2018 (the "**Increase Date**"), increased the principal amount of the Senior Notes of Euro 513,781,192.47, to *inter alia* finance the purchase of an additional portfolio of Receivables and related rights from RCI Italy, as Originator, pursuant to the terms and conditions of the Master Amendment Agreement and the Master Receivables Transfer Agreement; and
- (c) thereafter, on 8 March 2021 (the "**Restructuring Date**"), increased the principal amount of the Senior Notes of Euro 722,013,807.46, to *inter alia* finance the purchase of an additional portfolio of Receivables and related rights from RCI Italy, as Originator, pursuant to the terms and conditions of the Third Master Amendment Agreement, the Fourth Master Amendment Agreement and the Master Receivables Transfer Agreement (the "**Increase Further Additional Portfolio**" and, together with the Initial Portfolio and any Additional Portfolio purchased or to be purchased by the Issuer, the "**Portfolio**").

As a consequence of the increase, on the Restructuring Date the notional amount of the Senior Notes results as follows: €1,834,800,000.00 (the "**Class A Notes Aggregate Notional Amount**") for the Class A Asset Backed Fixed Rate Notes due March 2038.

As at the Restructuring Date,

- (A) the Aggregate Principal Amount Outstanding of the Senior Notes is €1,834,800,000.00; and
- (B) the Pool Factor of the Notes (being the Principal Amount Outstanding of the relevant Notes as at the Restructuring Date divided by the Aggregate Notional Amount of the relevant Notes) is 100%.

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be the Collections and other amounts received in respect of the Receivables and the Transaction Documents. The Portfolio comprises the Initial Portfolio and the Additional Portfolios purchased from time to time by the Issuer under the Master Receivables Transfer Agreement during the Revolving Period, including the Increase Further Additional Portfolio. As at the Restructuring Date the Collateral Portfolio Outstanding Principal is equal to € 2,108,948,788.03.

The Securitisation is intended to qualify as a STS-securitisation within the meaning of Article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the Restructuring Date, the requirements of Articles 19 to 22 of the Securitisation Regulation and will be, on or prior to the Restructuring Date, notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation. No assurance can be provided that the Securitisation does or will continue to qualify as a STS-securitisation under the Securitisation Regulation as at the Restructuring Date or at any point in time in the future.

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

## 1. **INTRODUCTION**

### 1.1. **Senior Noteholders entitled to benefit of and bound by the Transaction Documents**

The Senior Noteholders are entitled to the benefit of, accept to be bound by and are deemed to have notice of all the provisions of the Transaction Documents.

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

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

### 1.3. **Copies of Transaction Documents available for inspection**

Copies of the Transaction Documents (other than the Subscription Agreements) are available for inspection by the Senior Noteholders during normal business hours at:

- (i) the registered office of the Issuer, being, as at the Restructuring Date, Via Vittorio Betteloni 2, 20131 - Milan, Italy; and
- (ii) the registered office of the Representative of the Noteholders, being, as at the Restructuring Date, Via Vittorio Betteloni 2, 20131 - Milan, Italy.

### 1.4. **Description of Transaction Documents**

- 1.4.1. Pursuant to the Master Receivables Transfer Agreement, the Originator has assigned and transferred without recourse (*pro soluto*) the Initial Portfolio to the Issuer, subject to the terms and conditions thereof and in accordance with the Securitisation Law. Pursuant to the Master Receivables Transfer Agreement, sales of Additional Portfolios (including the Increase Further Additional Portfolio) may take place during the Revolving Period and up to the end thereof, in accordance with the Securitisation Law and subject

to the terms and conditions of the Master Receivables Transfer Agreement.

- 1.4.2. Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.
- 1.4.3. Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible, *inter alia*, for ensuring that such transactions comply with the provisions of article 2.3(c) and article 2.6**bis** of the Securitisation Law. Pursuant to the Servicing Agreement, the Servicer has appointed the Master Servicer to act as its sub-delegate, also in the interest of the Issuer and the Noteholders, and perform the activities provided for thereunder.
- 1.4.4. Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.
- 1.4.5. Pursuant to the Quotaholder Corporate Services Agreement, the Quotaholder Corporate Servicer has agreed to provide certain corporate administrative services to the Quotaholder.
- 1.4.6. Pursuant to the Subordinated Loan Agreement entered into between the Issuer and the Loan Provider on 14 May 2020, the Loan Provider agreed to make available to the Issuer a loan in one or more drawings for the purpose of cover any shortfall in the Issuer Available Funds deriving from the Moratorium granted by the Issuer with respect to the Loan Agreements.
- 1.4.7. Pursuant to the Cash Allocation, Management and Payments Agreement, the Servicer, the Master Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Corporate Servicer and the Principal Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Issuer's Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the repayment of principal and the payment of interest and Variable Return in respect of the Notes of each Class.
- 1.4.8. Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolio and the Transaction Documents.
- 1.4.9. Pursuant to the Deed of Pledge, the Issuer has pledged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guaranties) to which it is entitled pursuant or in relation to certain Transaction Documents to which the Issuer is a party, other than claims relating to the Portfolio, the Collections, the Recoveries and the proceeds deriving from the issuance of the Notes.
- 1.4.10. Pursuant to the Mandate Agreement, the Representative of the Noteholders, subject to

a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event and, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents, is authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

- 1.4.11. Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.
- 1.4.12. Pursuant to the Senior Notes Subscription Agreement, RCI Banque has agreed to subscribe for the Senior Notes and to pay the subscription price in respect thereof on the Issue Date. In addition, under the Senior Notes Subscription Agreement, RCI Banque has appointed the Representative of the Noteholders to perform the activities described in the Senior Notes Subscription Agreement, these Senior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.13. Pursuant to the Master Definitions Agreement, the parties to the Transaction Documents have agreed to the meaning of certain definitions and expressions used in the Transaction Documents and the principles of interpretation to be used with respect to such Transaction Documents.
- 1.4.14. Pursuant to the Junior Notes Subscription Agreement, RCI Banque Italy has agreed to subscribe for the Junior Notes and to pay the subscription price in respect thereof on the Issue Date. In addition, under the Junior Notes Subscription Agreement, RCI Banque Italy has appointed the Representative of the Noteholders to perform the activities described in the Junior Notes Subscription Agreement, the Junior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.15. Pursuant to the Master Amendment Agreement, provision has been made as to, *inter alia*, (a) the transfer to the Issuer of the Increase Additional Portfolio, (b) the extension of the Revolving Period, (c) the increase of the notional amount of the Senior Notes and the partial early redemption of the Junior Notes, (d) the subscription and payment for the increase of the notional amount of the Notes on the Increase Date, (e) the payment of the Purchase Price of the Increase Additional Portfolio by the Issuer on the Increase Date, and (f) certain amendments to the Transaction Documents.
- 1.4.16. By the Supplemental Deed of Pledge, the Issuer has granted and undertaken to grant, in favour of the Noteholders and the Other Issuer Creditors as security for the Secured Obligations, a first priority pledge over all existing and future monetary claims and rights deriving from the Master Amendment Agreement (other than the Receivables and the Collections).
- 1.4.17. Pursuant to the Second Master Amendment Agreement, certain amendments to the Transaction Documents have been made in order to provide the terms for granting by the Issuer of the Moratorium in respect of the Loan Agreements.
- 1.4.18. By the Second Supplemental Deed of Pledge, the Issuer has granted and undertaken to grant, in favour of the Noteholders and the Other Issuer Creditors as security for the Secured Obligations, a first priority pledge over all existing and future monetary claims and rights deriving from the Master Amendment Agreement (other than the Receivables and the Collections) and the Subordinated Loan Agreement.

- 1.4.19. Pursuant to the Third Master Amendment Agreement, provision has been made as to, *inter alia*, (a) the transfer to the Issuer of the Increase Further Additional Portfolio and (b) certain amendments to the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement in order to, *inter alia*, make the Securitisation compliant with the STS Requirements provided for by article 19 et seq. of the Securitisation Regulation.
- 1.4.20. Pursuant to the Fourth Master Amendment Agreement, provision has been made as to, *inter alia*, (a) the extension of the Revolving Period, (b) the increase of the notional amount of the Senior Notes and the Junior Notes, (c) certain amendments to the Transaction Documents (other than the Master Receivables Transfer Agreement and the Warranty and Indemnity Agreement) to make the Securitisation compliant with the STS Requirements provided for by article 19 et seq. of the Securitisation Regulation.
- 1.4.21. By the Third Supplemental Deed of Pledge, the Issuer has granted and undertaken to grant, in favour of the Noteholders and the Other Issuer Creditors as security for the Secured Obligations, a first priority pledge over all existing and future monetary claims and rights deriving from the Third Master Amendment Agreement and the Fourth Master Amendment Agreement (other than the Receivables and the Collections).

## 1.5. **Acknowledgement**

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

## 2. **DEFINITIONS AND INTERPRETATION**

### 2.1. **Definition**

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

**"3 Month Average Delinquency Rate"** means, as of each Calculation Date starting from the third Calculation Date following the Issue Date, the ratio calculated according to the following formula:

(a) / (b)

Where:

"(a)" means the aggregate of the Delinquency Rate calculated on such Calculation Date and on the two preceding Calculation Dates;

"(b)" means 3.

**"Acceptance"** means the acceptance by the Issuer of each Offer relating to an Additional Portfolio (other than the Increase Additional Portfolio and the Increase Further Additional Portfolio), made pursuant to the Master Receivables Transfer Agreement.

**"Account Bank"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Account Bank Report"** means the report to be prepared and delivered by the Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**"Accrued Interest"** means, on the relevant Valuation Date in relation to each Receivable, the portion of Interest Instalments accrued but not yet due as of such date pursuant to the relevant Loan Agreement.

**"Additional Portfolio"** means any portfolio of Receivables purchased by the Issuer, following the purchase of the Initial Portfolio, during the Revolving Period, pursuant to the Master Receivables Transfer Agreement (including the Increase Additional Portfolio and the Increase Further Additional Portfolio).

**"Adjustment Purchase Price"** means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1(b) of the Master Receivable Transfer Agreement, an amount calculated in accordance with clause 4.3 of the Master Receivable Transfer Agreement.

**"Agent"** means each of the Account Bank, the Cash Manager, the Principal Paying Agent and the Calculation Agent, appointed pursuant to the Cash Allocation Management and Payments Agreement.

**"Arranger"** means CA-CIB.

**"Balloon Financing Ratio"** means, on each Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Balloon Loans as of the Collection Date immediately preceding such Calculation Date, and (ii) the Outstanding Principal of the Receivables relating to Balloon Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Balloon Loans"** means a Loan with "balloon" payment, i.e. amortising on the basis of equal monthly Instalments, but with a significant portion of the outstanding principal repaid in a single "bullet" payment at maturity, pursuant to which the relevant Debtors may exercise a Balloon Option.

**"Balloon Option"** means, indistinctively, the following options available to a Debtor under a Balloon Loan upon maturity: (a) to retain the relevant vehicle and pay the final "balloon" Instalment to the Originator; (b) return the relevant vehicle to the Dealer, with the option to purchase a new vehicle; or (c) rescheduling, with the consent of the Originator, the payment of the final "balloon" Instalment, up to a maximum period of three years.

**"Bol Supervision Guidelines"** means the *Disposizioni di Vigilanza per le banche* issued by the Bank of Italy with Circular No. 285 of 17 December 2013, as amended and supplemented from time to time.

**"Business Day"** means each day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Paris, Luxembourg, Milan and Rome, and which is a TARGET Settlement Day in relation to the settlement of payments denominated in Euro.

**"CA-CIB"** means Crédit Agricole – Corporate and Investment Bank, with its principal office at

12 place des Etats-Unis - CS 70052, 92547 Montrouge Cedex, France, registered at the *Registre du Commerce et des Sociétés* of Nanterre under number 304 187 701.

**"Calculation Agent"** means Zenith Service S.p.A. and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Calculation Date"** means the date falling 8 Business Days after each Servicer's Report Date.

**"Cash Allocation, Management and Payments Agreement"** means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Master Servicer, the Originator, the Representative of the Noteholders, the Account Bank, the Corporate Servicer, the Cash Manager, the Calculation Agent and the Principal Paying Agent, as amended and supplemented from time to time.

**"Cash Manager"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Cash Reserve"** means a reserve created with part of the proceeds of issue of the Class J Notes on the Issue Date and credited on the Reserve Account.

**"Class"** shall be a reference to a class of Notes being the Class A Notes or the Class J Notes and **"Classes"** shall be construed accordingly.

**"Class A Noteholders"** or **"Senior Noteholders"** means the holders of the Class A Notes.

**"Class A Notes"** or **"Senior Notes"** means the €1,834,800,000 Class A Asset Backed Fixed Rate Notes due 2038 issued by the Issuer on the Issue Date, as increased on the Restructuring Date.

**"Class J Noteholders"** or **"Junior Noteholders"** means the holders of the Class J Notes.

**"Class J Notes"** or **"Junior Notes"** means the €295,600,000 Class J Asset Backed Variable Return Notes due 2038, issued by the Issuer on the Issue Date.

**"Clean Up Option Date"** means the Payment Date in respect of which the Outstanding Principal of the Portfolio have become equal to, or less than, 10 per cent. of the Outstanding Principal of the overall Portfolio as of the Restructuring Date (including the Outstanding Principal of the Increase Further Additional Portfolio as of the relevant Valuation Date).

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

**"Collateral Security"** means, with reference to each Receivable, any pledge, guarantee, indemnity or other support agreement or security interest for the performance of such Receivable, including without limitation any Insurance Policy and/or Mortgage, assisting the relevant Loan.

**"Collection Account"** means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107380 (IBAN IT97Z0343201600002212107380), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Collection Date"** means the 10<sup>th</sup> day of each calendar month, provided that the first Collection Date was 10 September 2015.

**"Collection Period"** means each period commencing on a Collection Date (included) and ending on the immediately following Collection Date (excluded), provided that the first Collection Period has begun on the Valuation Date (excluded) and ended on the Collection Date (excluded) falling on 9 September 2015.

**"Collection Policies"** means the procedures for the granting of credit and the collection and recovery used by RCI Banque Italy in respect of the Receivables, as attached under schedule 4 to the Servicing Agreement.

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

**"Commitment Amount"** means Euro 10,000,000.

**"Common Criteria"** means the objective criteria for the selection of each Portfolio specified in schedule 1 to the Master Receivables Transfer Agreement.

**"Conditions"** means, together, the Senior Notes Conditions and the Junior Notes Conditions and **"Condition"** means a condition of either of them.

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

**"Consumer Code"** means the Italian Legislative Decree No. 206 of 6 September 2005, as amended and supplemented from time to time.

**"Consumer Credit Legislation"** means, collectively, (i) articles 121 to 126 of the Italian Banking Act, as amended and supplemented from time to time; and (ii) the Consumer Code.

**"Corporate Servicer"** means Zenith Service S.p.A. and any successor or assigner thereto in accordance with the Corporate Services Agreement.

**"Corporate Services Agreement"** means the agreement executed on or about the Issue Date between the Issuer and the Corporate Servicer, as amended and supplemented from time to time.

**"Criteria"** means the criteria set out in schedule 1 and schedule 2 to the Master Receivable Transfer Agreement, on the basis of which the Receivables are identified in pool (*in blocco*) pursuant to articles 1 and 4 of the Securitisation Law.

**"CRR"** means the Regulation (EU) No. 575/2013 of 26 June 2013, as amended and supplemented from time to time.

**"Cumulative Net Default Rate"<sup>16</sup>** means, as at each Calculation Date, the ratio calculated according to the following formula:

(a) / (b)

Where:

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<sup>16</sup> For the purpose of the calculation of such Performance Trigger (i) the Receivables to be taken into consideration include also all those Receivables already repurchased by the Originator and (ii) the aggregate Outstanding Principal Nominal of the Defaulted Receivables comprised in the Portfolio and the Cumulative Net Prepayment Profits as of the Restructuring Date shall be deemed equal to zero.

- (a) means the positive difference between (i) the aggregate Outstanding Principal Nominal of all Defaulted Receivables, and (ii) the Cumulative Net Prepayment Profits;
- (b) means the Outstanding Principal Nominal of the Portfolio as of the Restructuring Date (including the Increase Further Additional Portfolio).

**"Cumulative Net Default Rate Percentage"** means 4%

**"Cumulative Net Prepayment Profits"** means, on any Calculation Date, the aggregate profits realised by the Issuer in respect of all Instalments of all Loan Agreements which have been prepaid prior to their respective due dates for payment on or prior to the immediately preceding Collection Date as calculated by the Servicer and set out in the latest Servicer's Report prepared and delivered by the Master Servicer.

**"Cura Italia Decree"** means Law Decree No. 18 of 17 March 2020.

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

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

| <b><i>DBRS</i></b> | <b><i>Moody's</i></b> | <b><i>S&amp;P</i></b> | <b><i>Fitch</i></b> |
|--------------------|-----------------------|-----------------------|---------------------|
| AAA                | Aaa                   | AAA                   | AAA                 |
| AA(high)           | Aa1                   | AA+                   | AA+                 |
| AA                 | Aa2                   | AA                    | AA                  |
| AA(low)            | Aa3                   | AA-                   | AA-                 |
| A(high)            | A1                    | A+                    | A+                  |
| A                  | A2                    | A                     | A                   |
| A(low)             | A3                    | A-                    | A-                  |
| BBB(high)          | Baa1                  | BBB+                  | BBB+                |
| BBB                | Baa2                  | BBB                   | BBB                 |
| BBB(low)           | Baa3                  | BBB-                  | BBB-                |
| BB(high)           | Ba1                   | BB+                   | BB+                 |
| BB                 | Ba2                   | BB                    | BB                  |
| BB(low)            | Ba3                   | BB-                   | BB-                 |
| B(high)            | B1                    | B+                    | B+                  |

| <b>DBRS</b> | <b>Moody's</b> | <b>S&amp;P</b> | <b>Fitch</b> |
|-------------|----------------|----------------|--------------|
| B           | B2             | B              | B            |
| B(low)      | B3             | B-             | B-           |
| CCC(high)   | Caa1           | CCC+           | CCC+         |
| CCC         | Caa2           | CCC            | CCC          |
| CCC(low)    | Caa3           | CCC-           | CCC-         |
| CC          | Ca             | CC             | CC           |
| C           | C              | D              | D            |

**"DBRS Minimum Rating"** means: (a) if a Fitch public rating, a Moody's public rating and an S&P public rating (each, a **"Senior Debt Rating"**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Senior Debt Rating remaining after disregarding the highest and lowest of such Senior Debt Ratings from such rating agencies (provided that if such Senior Debt 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 Senior Debt Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Senior Debt Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Senior Debt Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Senior Debt Rating (provided that if such Senior Debt Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Senior Debt Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Senior Debt Rating (provided that if such Senior Debt Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**"Dealer"** means any dealer (*concessionario*) that executed a sale agreement of the vehicle with the relevant Debtor, who have bought such vehicle through the granting of the relevant Loan Agreement.

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

**"Decree 239"** means the Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

**"Decree 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree 239.

**"Deed of Pledge"** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the

Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

**"Defaulted Receivables"** means a Receivable in respect of which:

- (a) on a certain date, the amount overdue as principal or interest in respect of such Receivable by the relevant Debtor is higher than 6 (six) times the relevant Instalment; or
- (b) the Receivable has been qualified as a loss (*passaggio a perdita*) by the Servicer in accordance with the Collection Policies; or
- (c) the Receivable has been qualified as a fraud by the Servicer in accordance with the Collection Policies; or
- (d) the Receivable has been transferred *pro soluto* to external factoring companies or to any other similar third party by the Servicer in accordance with the Collection Policies.

**"Delinquency Rate"<sup>17</sup>** means, as at each Calculation Date, the ratio calculated according to the following formula:

(a) / (b)

Where:

- (a) means the aggregate Outstanding Principal Nominal of all Delinquent Receivables, having at least two, but not more than six, Instalments overdue and unpaid according to the relevant Loan Agreement;
- (b) means the aggregate of (i) the Outstanding Principal Nominal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Issuer Principal Available Funds.

**"Delinquency Rate Percentage"** means 2.5%

**"Delinquent Receivables"** means any Receivable that:

- (a) is not a Defaulted Receivable;
- (b) in respect of which one Instalment (or a portion thereof) remains unpaid as specified in the Collection Policies.

**"Determination Date"** means:

- (i) with respect to the first Interest Period, the day falling two Business Days prior to the Issue Date; and
- (ii) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

**"Discount Rate"** means, for each Receivable, the higher of (i) 6.75% and (ii) the relevant

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<sup>17</sup> For the purpose of the calculation of such Performance Trigger, the Receivables to be taken into consideration include also all those Receivables already repurchased by the Originator.

contractual interest rate.

**"Drawing"** means each drawing of the Subordinated Loan made by the Loan Provider to the Issuer under the Subordinated Loan Agreement, up to the Commitment Amount.

**"Drawn Reserve Amount"** means, on any Calculation Date, the lower of (i) the Reserve Amount and (ii) the Interest Shortfall.

**"EBA Guidelines on the STS Criteria"** means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named *"Guidelines on the STS criteria for non-ABCP securitisation"*.

**"Effective Date"** means the date of execution of the Master Receivables Transfer Agreement, the Servicing Agreement and the Warranty and Indemnity Agreement, i.e. 13 July 2015.

**"Eligible Institution"** means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

- (a) whose unsecured and unsubordinated debt obligations have the following ratings:
  - (i) with respect to DBRS:
    - (x) a long-term public or private rating at least equal to "A"; or
    - (y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or
    - (z) such other rating as may from time to time comply with DBRS' criteria; and
  - (ii) with respect to Moody's, a long-term rating at least equal to "Baa2" or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term rating by Moody's; or
- (b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

**"Eligible Institution Guarantee"** means a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America having at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee has been notified to the Rating Agencies.

**"Eligible Investments"** means:

- (a) any Euro denominated senior (unsubordinated) debt securities or other debt instruments having the following ratings:
  - (i) with respect to DBRS:
    - (x) if such investments have a maturity date equal to or lower than 30 days:
      - (1) a short-term public or private rating at least equal to "R-1 (low)" in respect of short term debt or a long-term public or private rating at least equal to "A" in respect of long-term debt, or
      - (2) in the absence of a

public rating by DBRS, a DBRS Minimum Rating at least equal to "A" in respect of long-term debt; or

- (y) such other rating as may from time to time comply with DBRS' criteria; and
- (ii) with respect to Moody's, if such investments have a maturity date lower than 30 calendar days, a short-term public rating at least equal to "P-1" and a long-term public rating at least equal to "A2",

provided that such investments (i) are in dematerialised form; (ii) are immediately repayable on demand, disposable without any penalty or any loss; (iii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iv) in case of downgrading below the rating levels set out above, shall be liquidated within 3 days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (v) have a maturity date not exceeding the Eligible Investment Maturity Date; or

- (b) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an Eligible Institution provided that such investments (i) are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling no later than the immediately following Eligible Investment Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) shall be transferred, within 30 calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at cost of the account bank with which the relevant deposits were held; and (iv) the deposits shall be in Euro, held in Italy and subject to a first ranking security in favour of the Noteholders and the Other Issuer Creditors,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities, or (iv) any other instrument from time to time specified in the European Central Bank monetary policy regulations as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested.

**"Eligible Investments Maturity Date"** means each day falling no later than two Business Days before each Payment Date.

**"Eonia"** means the weighted average of overnight Euro Interbank Offer Rates for inter-bank loans and for Euro currency deposits.

**"€STR"** means the reference rate equal to the daily euro short-term rate provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), published on the website of the European Central Bank (initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank).

**"EU CRA Regulation"** means the credit rating agencies regulation under the Regulation (EU) No. 1060/2009, as amended and supplemented from time to time.

**"EU Insolvency Regulation"** means the Council Regulation (EC) No. 1346/2000 of 29 May 2000, as amended and supplemented from time to time.

**"Euro", "euro", "cents" and "€"** refer to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of European Union of 7 February 1992, establishing the European Union and the European Council of Madrid of 16 December 1995.

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

**"Euro-Zone"** means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**"Expenses"** means:

- (a) any and all documented fees, costs, expenses and taxes, required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and
- (b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

**"Expenses Account"** means the euro denominated account established in the name of the Issuer with the Account Bank, with number 002212107383 (IBAN: IT21C0343201600002212107383), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Extended Revolving Period"** means the period commencing on the Restructuring Date and ending on the earlier of (i) the Payment Date falling 36 months after the Restructuring Date (included) and (ii) the date of occurrence of a Purchase Termination Event.

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

**"Final Maturity Date"** means the Payment Date falling in March 2038.

**"First Payment Date"** means the Payment Date falling in October 2015.

**"Fourth Master Amendment Agreement"** means the master amendment agreement executed on 4 March 2021 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal

Paying Agent, the Account Bank, the Cash Manager, the Quotaholder and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"FSMA"** means the Financial Services and Markets Act 2000.

**"Guarantor"** means any person having issued or released a Collateral Security.

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

**"Increase Additional Portfolio"** means the Additional Portfolio purchased by the Issuer from the Originator as of the Increase Date pursuant to the Master Receivables Purchase Agreement, the Master Amendment Agreement and the Increase Additional Portfolio Transfer Agreement.

**"Increase Additional Portfolio Transfer Agreement"** means the transfer agreement entered into on 24 April 2018 between the Originator and the Issuer for the transfer of the Increase Additional Portfolio as of the Increase Date, in accordance and subject to the provisions of the Master Amendment Agreement and the Master Receivables Transfer Agreement.

**"Increase Further Additional Portfolio"** means the Additional Portfolio purchased by the Issuer from the Originator as of the Restructuring Date pursuant to the Master Receivables Purchase Agreement, the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement.

**"Increase Further Additional Portfolio Transfer Agreement"** means the transfer agreement entered into on 24 February 2021 between the Originator and the Issuer for the transfer of the Increase Further Additional Portfolio as of the Restructuring Date, in accordance and subject to the provisions of the Third Master Amendment Agreement and the Master Receivables Transfer Agreement.

**"Increase Date"** means 9 May 2018.

**"Individual Purchase Price"** has the meaning ascribed to such term in clause 3.1 of the Master Receivables Transfer Agreement.

**"Initial Junior Noteholder"** means RCI Banque Italy.

**"Initial Noteholders"** means, collectively, the Initial Senior Noteholder and the Initial Junior Noteholder.

**"Initial Senior Noteholder"** means RCI Banque S.A..

**"Initial Portfolio"** means the portfolio of Receivables purchased on the Effective Date by the Issuer pursuant to the terms and conditions of the Master Receivables Transfer Agreement.

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

- (a) such company or corporation is liquidated (*liquidazione*), including any voluntary winding-up resolved by the shareholders (*liquidazione volontaria*), or it has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or analogous procedures, agreements or plans introduced or amended by the Italian Legislative Decree no. 14/2019 (*Codice della crisi d'impresa e dell'insolvenza*), or is failing or is likely to fail pursuant to article 17 of the Legislative Decree No. 180 of 16 November 2015 (if applicable) (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and

"*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders and notified to the Rating Agencies); or
- (e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

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

**"Insurance Company"** means each insurance company that has issued an Insurance Policy.

**"Insurance Policy"** means, with respect to each Loan Agreement, the insurance policies executed by the relevant Debtor (if any), the relevant rights and actions deriving therefrom are included in the Receivables transferred to the Issuer pursuant to the Master Receivables Transfer Agreement.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

**"Interest Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Interest Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) all amounts received by the Issuer from any Eligible Investments in excess of the original amount invested in the relevant Eligible Investment;
- (c) all amounts of interest accrued on and credited to the Issuer's Account; and
- (d) the amount of each Drawing made available from time to time by the Loan Provider to the Issuer under the Subordinated Loan.

**"Interest Component"** means in relation to an Instalment payable on a given date "(t)", an amount calculated in accordance with the following formula:

$$NPV_{t-1} \times i / 12$$

where:

*t* means the due date of the Instalment on which the Interest Component is calculated using this formula;

*t-1* means the due date of the previous Instalment;

*NPV<sub>t-1</sub>* means the Net Present Value of the relevant Receivable at the due date of the previous Instalment;

*i* means the relevant Discount Rate.

**"Interest Instalment"** means the interest part of each Instalment due from a Debtor in respect of a Receivable.

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

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the Initial Interest Period shall begin on the Issue Date (included) and end on the First Payment Date (excluded).

**"Interest Shortfall"** means, on any Calculation Date, the difference (if negative) between (a) the amount of the Issuer Interest Available Funds (other than the amounts referred to under items (b) and (c) of such definition), and (b) the amount of the Issuer Interest Available Funds that would have been necessary to cover the payments to be made under items (i) to (v) of the Pre-Trigger Notice Interest Priority of Payments on the immediately following Payment Date.

**"Issue Date"** means 23 July 2015.

**"Issue Price"** means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

**"Issuer"** means Cars Alliance Auto Loans Italy 2015 S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at Via Vittorio Betteloni, 2, 20131 - Milan, Italy, fiscal code and enrolment with the companies register of Milan number 08831670966, enrolled under number 351916 in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the resolution

of the Bank of Italy dated 1 October 2014.

**"Issuer's Accounts"** means, collectively, the Collection Account, the Payments Account, the Reserve Account, the Expenses Account and the Securities Account (if any) and **"Issuer's Account"** means any of them.

**"Issuer Available Funds"** means, together, the Issuer Principal Available Funds and the Issuer Interest Available Funds, it being understood that the Not Assigned Collections will not form part of the Issuer Available Funds until the Calculation Date immediately preceding the Final Maturity Date, when all the Not Assigned Collections shall form part of the Issuer Principal Available Funds.

**"Issuer Interest Available Funds"** means, on any Calculation Date, the aggregate of:

- (a) all Interest Collections standing to the credit of the Collection Account as of such Calculation Date;
- (b) the Drawn Reserve Amount; and
- (c) all amounts of Interest Shortfall to be paid on the immediately following Payment Date pursuant to item (i) of the Pre Trigger Notice Principal Priority of Payments.

**"Issuer Principal Available Funds"** means, as of each Calculation Date, the aggregate of:

- (a) the Principal Collections standing to the credit of the Collection Account as at such Calculation Date;
- (b) any amounts to be paid on the immediately following Payment Date pursuant to items (vii) and (viii) of the Pre Trigger Notice Interest Priority of Payments;
- (c) the Reserve Released Amount transferred to the Payments Account from the Reserve Account on or prior to the immediately following Payment Date;
- (d) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Reserve Account;
- (e) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Expenses Account;
- (f) the Prepayment Profits collected by the Servicer during the relevant Collection Period; and
- (g) on the Calculation Date immediately preceding the Final Maturity Date, all the Not Assigned Collections.

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

**"Issuer's Segregated Assets"** means, together, the Portfolio, the collections in respect thereof, any financial assets purchased with such moneys and the other claims of the Issuer which arise in the context of the Securitisation, which are segregated by operation of law from the Issuer's other assets pursuant to the Securitisation Law.

**"Italian Banking Act"** means the Legislative Decree No. 385 of 1 September 1993, as amended

and supplemented from time to time.

**"Italian Bankruptcy Law"** means the Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

**"Italian Financial Act"** means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**"Joint Regulation"** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

**"Junior Notes"** means the Class J Notes.

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

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

**"Junior Notes Subscription Agreement"** means the subscription agreement executed on or about the Issue Date between the Issuer, the Initial Junior Noteholder and the Representative of the Noteholders, for the subscription of the Junior Notes.

**"Legal Moratorium"** means the deferral of payment of the Instalments related to a Loan falling due up to the Legal Moratorium Expiry Date pursuant to the relevant Loan's amortisation plan, having the terms and conditions set forth in article 56 of the Cura Italia Decree, granted by RCI Banque Italy as Servicer upon request of the relevant SME Debtor.

**"Legal Moratorium Expiry Date"** means the expiry date (as modified from time to time) of the moratorium measures provided by article 56 of the Cura Italia Decree.

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

**"Limited Recourse Loan"** means any limited recourse loan made by the Originator to the Issuer pursuant to clause 4.2 of the Warranty and Indemnity Agreement.

**"Loan"** means each auto-loan granted by the Originator to a Debtor, on the basis of a Loan Agreement, from which the Receivables transferred to the Issuer pursuant to the Master Receivables Transfer Agreement arise.

**"Loan Agreement"** means each auto-loan agreement, from which a Receivable arises, entered into between the Originator and a Debtor and pursuant to which RCI Banque Italy has granted a Loan.

**"Loan Provider"** means RCI Banque Italy.

**"Mandate Agreement"** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

**"Master Amendment Agreement"** means the master amendment agreement executed on 24 April 2018 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal

Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Master Receivables Transfer Agreement"** means, indistinctively, the master receivables transfer agreement entered into on 13 July 2015 between the Issuer and the Originator, as amended and supplemented from time to time.

**"Master Servicer"** means Zenith Service S.p.A., acting as such pursuant to the Servicing Agreement.

**"Master Servicer Fee"** means the fee due to the Master Servicer, as determined in accordance with clause 2.3.3 of the Servicing Agreement.

**"Master Servicer Termination Event"** means each of the events provided for under clause 2.3.4 of the Servicing Agreement, which causes the termination of the appointment of the Master Servicer, in accordance with the provisions set forth thereunder.

**"Matrice dei Conti"** has the meaning ascribed to it under the Bank of Italy with Circular No. 272 of 30 July 2008, as amended and supplemented from time to time.

**"Monte Titoli"** means Monte Titoli S.p.A., a joint stock company having its registered office at Piazza degli Affari, 6, 20123 - Milan, Italy.

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

**"Monte Titoli Mandate Agreement"** means the agreement entered into between the Issuer and Monte Titoli.

**"Moody's"** means Moody's Investors Service Espana, S.A..

**"Moratorium"** means, together, the Legal Moratorium and the Voluntary Moratorium.

**"Moratorium End Date"** means the latest of (i) the Voluntary Moratorium Expiry Date, and (ii) the Legal Moratorium Expiry Date.

**"Moratorium Period"** means the period starting from the date of the execution of the Second Master Amendment Agreement (included) and the Moratorium End Date (included).

**"Mortgage(s)"** means any *ipoteca* (i) existing over the relevant vehicle and created in accordance with the provisions of the relevant Loan Agreements, whose benefit has been transferred to the Issuer upon transfer of the Receivables deriving from such Loan Agreements, and (ii) that may be created by the Servicer for the benefit of the Issuer – pursuant to the Servicing Agreement - over the relevant vehicle in accordance with the provisions of the relevant Loan Agreements.

**"Most Senior Class of Notes"** means the Class A Notes and, following the full repayment of all the Class A Notes, the Class J Notes.

**"Net Present Value"** means the net present value of each Receivable, calculated by applying the following formula:

N

$$\sum_{t=1} R_t \times (1+i/12)^{-Dt}$$

$t=1$

where:

**N** means the total number of Instalments payable and not yet collected under the Loan Agreement from which such Receivable arises, during the period commencing on (and including) the relevant Valuation Date of such Receivable until (and including) the date on which it becomes due and payable;

**Rt** means the amount of Instalment number t payable under the relevant Loan Agreement;

**i** means the relevant Discount Rate;

**Dt** means the sequential number of Instalment between the due date of the Instalment number "t" and the Valuation Date;

**t** means the sequential number of an Instalment (where, for the avoidance of doubt, "1" means the first Instalment payable under the Loan Agreement from which such Receivable arises and "N" means the final Instalment).

**"New Vehicle"** means a car produced by a car manufacturer of the Renault Group or the Nissan Group, which, on its date of purchase, has not had any previous owner prior to be sold to the relevant Debtor.

**"Nissan Group"** means the group of brands, owned by Nissan Motor Co. Ltd., denominated "Nissan" and "Infiniti" which manufacture new vehicles which may be sold in Italy by an authorised dealer (*concessionario autorizzato*) or a branch of Nissan S.r.l..

**"No SDD Loans"** means any Loan granted to a Debtor who has decided not to pay the relevant Instalments through a SDD (*Sepa Direct Debit*).

**"No SDD Ratio"** means, on each Calculation Date, the ratio between:

- (a) the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to No SDD Loans as of the Collection Date immediately preceding such Calculation Date, and (ii) the Outstanding Principal of the Receivables relating to No SDD Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- (b) the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Not Assigned Collections"** means any Collections paid with respect to the Delinquent Receivables by a Debtor who has decided not to pay the relevant Instalment through a SDD (*Sepa Direct Debit*) and that has not yet been reconciled by the Servicer and divided between Interest Component and Principal Component.

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

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

**"Notice"** means any notice delivered under or in connection with any Transaction Document.

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

**"Offer"** means each offer made by the Originator to the Issuer for the sale of an Additional Portfolio (other than the Increase Additional Portfolio and the Increase Further Additional Portfolio), in accordance with the Master Receivables Transfer Agreement.

**"Offer Date"** means the date, which falls 3 (three) Business Days following each Servicer's Report Date, in which the Originator delivers an Offer to the Issuer pursuant to the Master Receivables Transfer Agreement.

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

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

**"Original Revolving Period"** means the period commencing on the Effective Date and ending on the earlier of (i) the date falling 30 months after the Effective Date and (ii) the date of occurrence of a Purchase Termination Event.

**"Originator"** (or also **"Seller"**) means RCI Banque Italy.

**"Other Issuer Creditors"** means the Originator, the Servicer, the Master Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders and any party who at any time accedes to the Intercreditor Agreement.

**"Outstanding Balance"** means, on any given date and in relation to any Receivables, the aggregate of the Principal Instalments and of the Interest Instalments due but unpaid as at such date and of any outstanding penalties (including default interest (if any)) with respect thereto.

**"Outstanding Principal"** means, on any given date:

- (a) in relation to a Receivable, the aggregate of the Principal Components of such Receivable that have not yet been paid up as at such date; and
- (b) in relation to the Portfolio, the aggregate of all the Principal Components of all the Receivables that have not yet been paid up as at such date.

**"Outstanding Principal Nominal"** means, on any given date:

- (a) in relation to a Receivable, the aggregate of the Principal Instalments of such Receivable that have not yet been paid up as at such date; and
- (b) in relation to the Portfolio, the aggregate of all the Principal Instalments of all the Receivables that have not yet been paid up as at such date.

**"Payment Date"** means: (a) prior to the delivery of a Trigger Notice, the 8<sup>th</sup> day of each calendar month or, if such day is not a Business Day, the immediately following Business Day; and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payment, the Conditions and the Intercreditor Agreement, provided that the First Payment Date has fallen in October 2015.

**"Payments Account"** (or also **"Payment Account"**) means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107381 (IBAN: IT67A0343201600002212107381), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**"Performing Receivable"** means, at any date, a Receivable that is not (i) a Defaulted Receivable, and (ii) a Receivable which has been fully repaid or fully written off.

**"Pool Factor as at the Restructuring Date"** means 100% in respect of the Senior Notes.

**"Pool Factor as at the Increase Date"** means 100% in respect of the Senior Notes.

**"Portfolio"** means, as the case may be, (i) each of the Initial Portfolio and the Additional Portfolios (including the Increase Additional Portfolio and the Increase Further Additional Portfolio) purchased by the Issuer pursuant to the Master Receivables Transfer Agreement, and (ii) together, the aggregate of the Initial Portfolio and all Additional Portfolios purchased by the Issuer pursuant to the Master Receivables Transfer Agreement.

**"Portfolio Concentration Criteria"** means the objective criteria that shall be satisfied, as of the relevant Valuation Date of any Additional Portfolio, with respect to the aggregate Portfolio, pursuant to clause 2.4.3 of the Master Receivables Transfer Agreement.

**"Post-Trigger Notice Priority of Payments"** means the Priority of Payments under the Senior Notes Condition 6.3 (*Post-Trigger Notice Priority of Payments*).

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

**"Pre-Trigger Notice Interest Priority of Payments"** means the Priority of Payments for the application of the Issuer Interest Available Funds under the Senior Notes Condition 6.1 (*Pre-Trigger Notice Interest Priority of Payments*).

**"Pre-Trigger Notice Principal Priority of Payments"** means the Priority of Payments for the application of the Issuer Principal Available Funds under the Senior Notes Condition 6.2 (*Pre-Trigger Notice Principal Priority of Payments*).

**"Prepayment Profits"** means, on any Calculation Date, the aggregate profits realised by the Issuer in respect of all Instalments of all Loan Agreements which have been prepaid prior to their respective maturity dates, during the relevant Collection Period.

**"Principal Amount Outstanding"** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue (as increased on the Increase Date and as further increased on the Restructuring Date) less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and

- (b) in relation to a Class, the aggregate of the amounts calculated according to (a) above in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amounts calculated according to (a) above in respect of all Notes outstanding, regardless of Class.

**"Principal Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Principal Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) the amount of Recoveries which are standing to the credit of the Collection Account;
- (c) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Transfer Agreement (other than in respect of the Interest Component) and the Warranty and Indemnity Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from or in respect of the Insurance Policies);
- (d) all the proceeds deriving from the sale (in whole or in part), if any, of the Portfolio, in accordance with the provisions of the Transaction Documents;
- (e) all the proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;
- (f) the amount credited to the Payments Account on the immediately preceding Payment Date; and
- (g) any amounts (other than the amounts already allocated under other items of the Issuer Principal Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period.

**"Principal Component"** means in relation to each Instalment, the relevant aggregate amount of such Instalment less the Interest Component thereof, taking into account all the proceeds from the related Collateral Security (including any proceeds under the Insurance Policies) and any other amount paid under or in relation to the relevant Loan Agreement and connected to such Instalment, to the extent not related to the Interest Component of such Instalment.

**"Principal Instalment"** means the principal part of each Instalment due from a Debtor in respect of a Receivable.

**"Principal Paying Agent"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Principal Shortfall"** means, on any Calculation Date, the positive difference between:

- (a) the aggregate Outstanding Principal (as defined below) of all Defaulted Receivables in respect of all Loan Agreements since the Issue Date as of such Calculation Date;
- (b) the sum of all Issuer Interest Available Funds paid on the preceding Payment Dates under item (vii) of the Pre-Trigger Notice Interest Priority of Payments; and

(c) the Cumulative Net Prepayment Profits as at such Calculation Date.

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

**"Privacy Provisions"** means the Italian Legislative Decree No. 196 of 30 June 2003 (as amended and supplemented from time to time), and any other provision related to the data processing from time to time applicable, including Regulation (EU) 2016/679 (*General Data Protection Regulation (GDPR)*) which will apply starting from 25 May 2018.

**"Professional"** means a Debtor exercising a professional activity or small business identified by the Originator with a VAT Number;

**"Professional Financing Loans"** means a Loan the Debtor of which is a Professional.

**"Professional Financing Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Professional Financing Loans as of the Collection Date relating to such Calculation Date and (ii) the Outstanding Principal of the Receivables relating to Professional Financing Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Prospectus"** means the prospectus dated on or about the Restructuring Date prepared in connection with the increase of the Senior Notes by the Issuer.

**"Purchase Price"** means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio and each Additional Portfolio, as the case may be, pursuant to the Master Receivables Transfer Agreement.

**"Purchaser"** means the Issuer, as purchaser (*cessionario* or *acquirente*) under the Master Receivables Transfer Agreement.

**"Purchase Termination Event"** means any of the events provided for under clause 8 of the Master Receivables Transfer Agreement, the occurrence of which will prevent the Issuer from purchasing Additional Portfolios, in accordance with the provisions of the Master Receivables Transfer Agreement.

**"Purchase Termination Notice"** means the notice given by the Originator and/or the Representative of the Noteholders (as the case may be) following the occurrence of a Purchase Termination Event.

**"Quotaholder"** means Stichting SFM Italy No. 1.

**"Quotaholder's Agreement"** means the agreement executed on or about the Issue Date between the Issuer, the Originator, the Quotaholder and the Representative of the Noteholders.

**"Quotaholder Corporate Servicer"** means Structured Finance Management (Netherlands) B.V. and any successor or assignee thereto pursuant to the Quotaholder Corporate Services Agreement.

**"Quotaholder Corporate Services Agreement"** means the agreement executed on or about the Issue Date between, amongst others, the Issuer and the Quotaholder Corporate Servicer.

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

**"Rating Agencies"** means DBRS and Moody's.

**"RCI Malta"** means the insurance companies RCI Life Ltd and RCI Insurance Ltd, based in Malta and owned by RCI Banque S.A. group.

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

- (a) all rights and claims in respect of the Outstanding Principal (including, for the avoidance of doubt, all rights and claims in respect of the Outstanding Principal, together with any other rights and claims, towards the relevant Dealer upon exercise of the Balloon Option by the Debtor pursuant to the respective Loan Agreement);
- (b) all rights and claims in respect of the payment of interest accrued on the Loans and not collected up to the relevant Valuation Date (excluded);
- (c) all rights and claims in respect of the payment of interest accruing on the Loans from the relevant Valuation Date (excluded);
- (d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts due pursuant to the Loan Agreements;
- (e) any Collateral Security relating to the relevant Loan Agreement, including without limitation all rights and claims relating to the Insurance Policies and the Mortgages;
- (f) all privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*), the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*) and the right to make any claim against the Dealers in connection with the relevant Loans,

other than, for the avoidance of doubts, any monetary receivables arising from the agreements for the granting and utilisation by the Debtors of any credit cards (*carte di credito*) issued in connection with the granting of the Loans under the Loan Agreements and any subsidies (*contributi*) paid, or to be paid, by the Dealers to the Originator in relation to a Loan pursuant to the relevant Loan Agreement.

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

**"Reference Banks"** means three (3) major banks in the Euro-Zone inter-bank market, as selected by the Principal Paying Agent.

**"Regulated Market"** means the Luxembourg Stock Exchange's main regulated market "*Bourse*

*de Luxembourg*".

**"Regulatory Technical Standards"** means, (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation and entered into force in the European Union, (ii) the transitional regulatory technical standards applicable pursuant to Article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

**"Renault Group"** means the group of brands, owned by Renault S.A., denominated "Renault", "Dacia" and "Samsung" which manufacture new vehicles which may be sold in Italy by an authorised dealer (*concessionario autorizzato*) or a branch of Renault S.A.S..

**"Reporting Entity"** means RCI Banque Italy or any other entity as notified to the investors in the Notes acting as reporting entity pursuant to Article 7(2) of the Securitisation Regulation and the Intercreditor Agreement, and any of its permitted successors or transferees.

**"Representative of the Noteholders"** means Zenith Service S.p.A. or any successor or assignee thereto in accordance with the Conditions and the Rules of Organisation of the Noteholders.

**"Required Reserve Amount"** means, on any Calculation Date, during the Revolving Period, the Reserve Initial Amount and, thereafter, following the end of the Revolving Period, the higher of (a) € 1,000,000 and (b) 1 per cent. of the Principal Amount Outstanding of the Notes as at the immediately preceding Calculation Date.

**"Reserve Account"** means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107382 (IBAN: IT44B0343201600002212107382), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**"Reserve Released Amount"** means, on any Calculation Date, the difference between the Reserve Amount standing to the credit of the Reserve Account and the Required Reserve Amount.

**"Reserve Initial Amount"** means (i) as of the Issue Date, Euro 12,450,000, (ii) as of the Increase Date, Euro 15,956,000 and (iii) as of the Restructuring Date, Euro 21,304,000.00.

**"Restructuring Date"** means 8 March 2021.

**"Retention Amount"** means an amount equal to Euro 50,000 provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

**"Revolving Period"** means the Original Revolving Period (as extended as of the Increase Date) and the Extended Revolving Period respectively before and after the Restructuring Date.

**"Rules of Organisation of the Noteholders"** or **"Rules"** means the rules of the organisation of the Noteholders attached as an Exhibit to the Senior Notes Conditions and the Junior Notes Conditions.

**"SDD Loans"** means any Loan granted to a Debtor who has decided to pay the relevant Instalments through a SDD (*Sepa Direct Debit*).

**"Second Master Amendment Agreement"** means the master amendment agreement executed on 14 May 2020 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Second Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed on 14 May 2020 between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Securities Account"** means the bank account that may be opened by the Issuer after the Issue Date in accordance with, and pursuant to, clause 3.5 of the Cash Allocation Management and Payments Agreement.

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

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

**"Securitisation Law"** means the Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**"Securitisation Regulation"** means Regulation (EU) 2017/2402 of the European Parliament and the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

**"Securitisation Repository"** means the website of European Data Warehouse (being, as at the date hereof, [www.eurodw.eu](http://www.eurodw.eu)) or any other securitisation repository registered pursuant to Article 10 of the Securitisation Regulation as notified to the investors in the Notes.

**"Security"** means the security created pursuant to the Deed of Pledge.

**"Security Interest"** means:

- (a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement having a similar effect.

**"Senior Noteholders"** means the holders from time to time of any of the Class A Notes.

**"Senior Notes"** means the Class A Notes.

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

**"Senior Notes Subscription Agreement"** means the subscription agreement executed on or about the Issue Date between the Issuer, the Initial Senior Noteholder and the Representative of the Noteholders, for the subscription of the Senior Notes.

**"Servicer"** means RCI Banque Italy or any successor or assignee thereto in accordance with the Servicing Agreement.

**"Servicer's Report"** means the report to be prepared and delivered by the Master Servicer, on each Servicer's Report Date, pursuant to the Servicing Agreement.

**"Servicer's Report Date"** means the date falling 7 Business Days after each Collection Date.

**"Servicing Agreement"** means the agreement entered into on the Effective Date between the Issuer, the Servicer and the Master Servicer, as amended and supplemented from time to time.

**"Servicing Fee"** means the fee due to the Servicer, as determined in accordance with clause 8.1 of the Servicing Agreement.

**"Servicer Termination Event"** means each of the events provided for under clause 9.1 of the Servicing Agreement, which causes the termination of the appointment of the Servicer, in accordance with the provisions set forth thereunder.

**"Significant Event Report"** means the report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement, setting out the information required by Article (7)(1) letters (f) and (g) of the Securitisation Regulation and the Regulatory Technical Standards (including, *inter alia*, any material change of the Priority of Payments and the occurrence of any Trigger Event) in accordance with Annex 14 of the Commission Delegated Regulation (EU) 2020/1224 and to be delivered to the Reporting Entity (i) without undue delay in case an inside information or significant event under Article (7)(1) letters (f) and (g) of the Securitisation Regulation has occurred; and (ii) on a quarterly basis (together with the Transparency Investor Report).

**"SME Debtor"** means a Debtor which meets the requirements provided for by the Cura Italia Decree to access the moratorium measures set forth therein.

**"South Italy Loans"** means any Loan granted to a Debtor which is resident in the South Italy Regions.

**"South Italy Loans Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to South Italy Loans as of the Collection Date relating to such Calculation Date and (ii) the Outstanding Principal of the Receivables relating to South Italy Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report

**"South Italy Regions"** means the regions of Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia.

**"Specific Criteria"** means the objective criteria for the identification of the Receivables of each Portfolio specified in annex 2 to the Master Receivables Transfer Agreement.

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

**"STS Notification"** means the notification made in accordance with Article 27 of the Securitisation Regulation.

**"STS Requirements"** means the requirements for simple, transparent and standardized non-ABCP securitisations provided for by Articles 19, 20, 21 and 22 of the Securitisation Regulation.

**"STS-securitisation"** means a securitisation intended to qualify as a simple, transparent and standardised securitisation within the meaning of the EU Securitisation Regulation.

**"Subordinated Loan"** means the subordinated loan, of up to the Commitment Amount, to be granted by the Loan Provider to the Issuer under the Subordinated Loan Agreement, in one or more Drawings.

**"Subordinated Loan Agreement"** means the subordinated loan agreement executed on 14 May 2020 between the Issuer and the Loan Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Subscription Agreements"** means, together, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**"Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed as of the Increase Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"TARGET Settlement Day"** means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (*TARGET*) System is opened

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

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"Tax"** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

**"Tax Deduction"** means any deduction or withholding on account of Tax.

**"Third Master Amendment Agreement"** means the master amendment agreement executed on 24 February 2021 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer and the

Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Third Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed on 4 March 2021 between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Top 20 Debtors"** means the first 20 Debtors with the higher Outstanding Principal of the Performing Receivables as of each Collection Date, taking into account for such calculation also the Additional Portfolio transferred as of the immediately preceding Offer Date.

**"Top 20 Obligor Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to the Top 20 Debtors as of the Collection Date immediately preceding such Calculation Date, taking into account for such calculation also the Additional Portfolio included in the immediately preceding Offer Date; and
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report

**"Top Debtor"** means the Debtor with the higher Outstanding Principal of the Performing Receivables as of each Collection Date, taking into account for such calculation also the Additional Portfolio transferred as of the immediately preceding Offer Date.

**"Top Obligor Ratio"** means, on any Calculation Date, the ratio between:

- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to the Top Debtor as of the Collection Date immediately preceding such Calculation Date, taking into account for such calculation also the Additional Portfolio included in the immediately preceding Offer Date; and
- c. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Transaction Documents"** means, together, the Master Receivables Transfer Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Subscription Agreements, the Intercreditor Agreement, the Cash Allocation Management and Payments Agreement, the Deed of Pledge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Conditions, the Quotaholder Corporate Services Agreement, the Master Amendment Agreement, the Increase Additional Portfolio Transfer Agreement, the Increase Further Additional Portfolio Transfer Agreement, the Supplemental Deed of Pledge, the Second Master Amendment Agreement, the Third Master Amendment Agreement, the Fourth Master Amendment Agreement, the Subordinated Loan Agreement, the Second Supplemental Deed of Pledge, the Third Supplemental Deed of Pledge and any other document which may entered into, from time to time in connection with the Securitisation.

**"Transfer Date"** means, (i) in respect of the Initial Portfolio, the Effective Date of the Master Receivables Transfer Agreement, and (ii) in respect of each Additional Portfolio, the later of (a)

the date indicated as such in the relevant Offer, and (b) the date on which the Originator has received the relevant Acceptance from the Issuer, provided that in respect of the Increase Further Additional Portfolio the Transfer Date means 24 February 2021.

**"Transparency Investor Report"** means the report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement, setting out the information required by Article (7)(1) letter (e) of the Securitisation Regulation and the Regulatory Technical Standards in accordance with Annex 12 of the Commission Delegated Regulation (EU) 2020/1224 and to be delivered to the Reporting Entity on or about the Transparency Report Date.

**"Transparency Loan Report"** means the report to be prepared by the Servicer pursuant to clause 5.2 of the Servicing Agreement and the Intercreditor Agreement, and delivered to the Reporting Entity on a quarterly basis, setting out the information required by Article 7(1)(a) of the EU Securitisation Regulation and the Regulatory Technical Standards (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, if available) in accordance with Annex 5 of the Commission Delegated Regulation (EU) 2020/1224.

**"Transparency Report Date"** means the date falling 30 (thirty) days after the Payment Date falling on March, June, September and December of each year on which the Reporting Entity shall make available the Transparency Investor Report and the Transparency Loan Report through the Securitisation Repository, provided that the first Transparency Report Date shall be 6 April 2021.

**"Trigger Event"** means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

**"Trigger Notice"** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

**"Used Car Loans"** means any Loan granted to a Debtor to purchase a Used Vehicle.

**"Used Car Loans Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Used Car Loans as of the Collection Date relating to such Calculation Date and (ii) the Outstanding Principal of the Receivables relating to Used Car Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Used Vehicle"** means a car which, on its date of purchase, had at least one previous owner prior to be sold to the relevant Debtor.

**"Usury Law"** means the Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and the Italian Law No. 24 of 28 February 2001, which converted into law the Italian Law Decree No. 394 of 29 December 2000, as amended and supplemented from time to time.

**"Valuation Date"** means 10 July 2015 for the Initial Portfolio and, for each Additional Portfolio,

the Collection Date immediately preceding the relevant Offer Date, provided that for the Increase Additional Portfolio the Valuation Date was 10 April 2018 and further provided that for the Increase Further Additional Portfolio the Valuation Date is 10 February 2021.

**"Variable Return"** means the amount which may be payable on the Class J Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority thereto pursuant to the applicable Priorities of Payments on such Payment Date.

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

**"Vehicle"** means a car, used or new, to be purchased by a Debtor by using the funds granted to it through the relevant Loan.

**"Voluntary Moratorium"** means the deferral of payment of the Instalments related to a Loan falling due up to the Voluntary Moratorium Expiry Date pursuant to the relevant Loan's amortisation plan, having the main terms and conditions set forth in Schedule 3 (*Terms and conditions of the Voluntary Moratorium*) to the Second Master Amendment Agreement, granted by RCI Banque Italy as Servicer pursuant to the Servicing Agreement upon request of the relevant Debtor to which the Legal Moratorium does not apply and in accordance with the internal procedures implemented by RCI Banque Italy.

**"Voluntary Moratorium Expiry Date"** means the Legal Moratorium Expiry Date or the later date which may be notified in writing by RCI Banque Italy to the Issuer, the Calculation Agent and the Rating Agencies.

**"Warranty and Indemnity Agreement"** means the warranty and indemnity agreement entered into on the Effective Date between the Issuer and the Originator, as amended and supplemented from time to time.

## 2.2. Interpretation

### 2.2.1. References in Senior Notes Condition

Any reference in these Senior Notes Conditions to:

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

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

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

a **"successor"** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of

incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

#### *2.2.2. Transaction Documents and other agreements*

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

#### *2.2.3. Transaction Parties*

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

### **3. DENOMINATION, FORM AND TITLE**

#### **3.1. Denomination**

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

#### **3.2. Form**

The Senior Notes are in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Italian Financial Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

#### **3.3. Title and Monte Titoli**

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

#### **3.4. The Rules**

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

#### **3.5. Rights under the Deed of Pledge**

The rights arising from the Deed of Pledge are incorporated in each Senior Note.

### **4. STATUS, SEGREGATION AND RANKING**

#### **4.1. Status**

The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Senior Notes is limited to the amounts

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

#### **4.2. Segregation by law and security**

4.2.1. By virtue of the operation of Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the Collections and the financial assets purchased through such Collections is segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditor of the Issuer in respect of any cost, fee and expense in relation to the Securitisation.

4.2.2. In addition, the Notes of each Class have the benefit of the Security over certain assets of the Issuer arising out of certain Transaction Documents created pursuant to the Deed of Pledge.

#### **4.3. Ranking**

The Senior Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Class J Notes. The Class J Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

#### **4.4. Obligations of Issuer only**

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

### **5. COVENANTS**

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders (such consent to be notified also to the Rating Agencies) or as provided in or contemplated by any of the Transaction Documents:

#### **5.1. Negative pledge**

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

#### **5.2. Restrictions on activities**

5.2.1. engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation or any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents

provide or envisage that the Issuer will engage; or

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

5.2.3. at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4. become the owner of any real estate assets; or

5.3. **Dividends or distributions**

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

5.4. **De-registrations**

ask for de-registration from the "*elenco delle società veicolo*" held by Bank of Italy under article 4 of the Bank of Italy resolution dated 7 June 2017, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5. **Borrowings**

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

5.6. **Merger**

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

5.7. **No variation or waiver**

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

5.8. **Bank accounts**

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

5.9. **Statutory documents**

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

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

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

**5.11. Further securitisations**

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the Rating Agencies have been notified of the Issuer's intention to carry out such further securitisation, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law; or

**5.12. Derivatives**

enter into derivative contracts, save as expressly permitted by Article 21(2) of the Securitisation Regulation.

**6. PRIORITY OF PAYMENTS**

**6.1. Pre-Trigger Notice Interest Priority of Payments**

Prior to the delivery of a Trigger Notice, and in the event of early redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Optional redemption in whole for taxation reasons*) below, the Issuer Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority, in each case only if and to the extent that payments of a higher priority have been made in full (the "**Pre Trigger Notice Interest Priority of Payments**"):

- (i) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *Second*, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (iii) *Third*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;
- (iv) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred by the relevant agent on such Payment Date, to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer;

- (v) *Fifth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;
- (vi) *Sixth*, on any Payment Date until repayment in full of the Senior Notes, to credit into the Reserve Account the amount (if any) necessary to bring the balance of such account up to (but not in excess of) the Required Reserve Amount;
- (vii) *Seventh*, to transfer on the Payments Account as Issuer Principal Available Funds an amount equal to the Principal Shortfall as at the immediately preceding Calculation Date;
- (viii) *Eighth*, to transfer on the Payments Account as Issuer Principal Available Funds an amount equal to the amount (if any) paid under item (i) of the Pre-Trigger Notice Principal Priority of Payments on any preceding Payment Date and not yet repaid pursuant to this item;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on each Drawing of the Subordinated Loan (if any);
- (x) *Tenth*, to reimburse, *pari passu* and *pro rata*, all amounts of principal due and payable under the Subordinated Loan (if any);
- (xi) *Eleventh*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof (i) to the Originator any amount due and payable under the Transaction Documents (including any Accrued Interest due and payable to the Originator in accordance with the provisions of the Master Receivables Transfer Agreement and any indemnity amount payable to the Originator as Initial Junior Noteholder pursuant to the Junior Notes Subscription Agreement), to the extent not already paid or payable under other items of this Priority of Payments or of the Pre-Trigger Notice Principal Priority of Payments, (ii) to the Initial Senior Noteholder, any indemnity amount payable to it pursuant to the Senior Notes Subscription Agreement, and (iii) to the relevant agent, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable as indemnities on such Payment Date to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer;
- (xii) *Twelfth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;
- (xiii) *Thirteenth*, to pay, *pari passu* and *pro rata*, any Variable Return on the Class J Notes.

## 6.2. **Pre-Trigger Notice Principal Priority of Payments**

Prior to the delivery of a Trigger Notice, and in the event of early redemption of the Notes in accordance with Condition 8.3 (*Optional Redemption*), Condition 8.4 (*Optional redemption in whole for taxation reasons*) and Condition 8.5 (*Optional Redemption by the Class A Noteholders*) below, the Issuer Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority, in each case only if and to the extent that payments of a higher priority have been made in full (the "**Pre Trigger Notice Principal Priority of Payments**"):

- (i) *First*, on any Payment Date, if the Issuer Interest Available Funds are not sufficient to cover such payments, to pay any amount due under items (i) to (v) of the Pre-Trigger Notice Interest Priority of Payments;

- (ii) *Second*, on any relevant Payment Date, to pay to the Originator any amount due as Purchase Price for any Additional Portfolio;
- (iii) *Third*, during the Revolving Period, (a) upon exercise by the Class A Noteholders of the option to redeem the Notes pursuant to Condition 8.5 (*Optional Redemption of the Class A Noteholders*), to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes on such Payment Date, otherwise (b) to transfer to the Payment Account any residual amount after payments under items (i) and (ii) above on such Payment Date;
- (iv) *Fourth*, upon termination of the Revolving Period, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes on such Payment Date;
- (v) *Fifth*, to pay to the Originator any Adjustment Purchase Price, due in accordance with the Master Receivables Transfer Agreement;
- (vi) *Sixth*, upon repayment in full of the Senior Notes, to pay to the Originator any amount due and payable under the Transaction Documents;
- (vii) *Seventh*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, any amount due and payable under the Subordinated Loan, to the extent not paid under items (ix) or (x) of the Pre-Trigger Notice Interest Priority of Payments;
- (viii) *Eighth*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Junior Notes;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the relevant agent, any amount due and payable as indemnities on such Payment Date to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer, the Master Servicer and the Quotaholder Corporate Servicer, to the extent not paid under item (xi) of the Pre-Trigger Notice Interest Priority of Payments;
- (x) *Tenth*, upon repayment in full of the Senior Notes, to pay, *pari passu* and *pro rata*, any Variable Return on the Junior Notes.

### 6.3. **Post Trigger Notice Priority of Payments**

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full) (the "**Post Trigger Notice Priority of Payments**" and, together with the Pre Trigger Notice Interest Priority of Payments and the Pre Trigger Notice Principal Priority of Payments, the "**Priority of Payments**"):

- (i) *First*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due, and any proper costs and expenses incurred by the Representative of the Noteholders, under the provisions of, or in connection with, any of the Transaction Documents;

- (iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date, to the Account Bank, the Cash Manager, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer and the Master Servicer;
- (iv) *Fourth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes on such Payment Date;
- (v) *Fifth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class A Notes, until the Class A Notes have been repaid in full;
- (vi) *Sixth*, to pay to the Originator any amount due and payable under the Transaction Documents (including any Accrued Interest due and payable to the Originator in accordance with the provisions of the Master Receivables Transfer Agreement);
- (vii) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class J Notes on such Payment Date;
- (viii) *Eighth*, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding of the Class J Notes;
- (ix) *Ninth*, to pay, *pari passu* and *pro rata*, any Variable Return on the Class J Notes.

#### 6.4. **Payment of the Purchase Price for Additional Portfolios**

In accordance with the provisions of the Master Receivables Transfer Agreement and the other Transaction Documents, during the Revolving Period, the payment of the Purchase Price to the Originator in respect of each Additional Portfolio will be made on the Payment Date immediately following the relevant Transfer Date in accordance with the Pre-Trigger Notice Principal Priority of Payments.

### 7. **INTEREST**

#### 7.1. **Accrual of interest**

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

Interest will start to accrue in respect of the Senior Notes as increased from the Restructuring Date.

#### 7.2. **Payment Dates and Interest Periods**

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date, in accordance with the Pre-Trigger Notice Interest Priority of Payments. The First Payment Date was the Payment Date falling in October 2015 in respect of the Initial Interest Period.

Following the Restructuring Date, the first Payment Date for the purpose of the interest accrual will be the Payment Date falling in April 2021.

#### 7.3. **Termination of interest accrual**

Each Senior Note (or the portion of the Principal Amount Outstanding due for redemption) shall

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

**7.4. Calculation of interest**

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

**7.5. Rate of Interest**

The rate of interest applicable to each Senior Note for each Interest Period, including the Initial Interest Period, shall be a fixed rate of 0.75% (the "**Rate of Interest**").

**7.6. Calculation of Interest Payment Amounts**

The Issuer shall on each Determination Date determine or cause the Principal Paying Agent to determine the Euro amount (the "**Interest Payment Amount**") payable as interest on each Senior Note in respect of such Interest Period calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of a Senior Note on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

**7.7. Notification of Interest Payment Amount and Payment Date**

As soon as practicable (and in any event not later than the close of business on the first day of each relevant Interest Period), the Issuer will cause:

- (i) the Interest Payment Amount for each Senior Notes for the related Interest Period; and
- (ii) the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Representative of the Noteholders, the Servicer, Euroclear, Clearstream, the Corporate Servicer, the Calculation Agent, the Principal Paying Agent, the Rating Agencies and Monte Titoli and will cause the same to be published in accordance with Senior Notes Condition 16 (*Notices*) on or as soon as possible after the relevant Determination Date.

**7.8. Amendments to publications**

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

**7.9. Determination by the Representative of the Noteholders**

If the Issuer does not at any time for any reason calculate or cause the Principal Paying Agent

to calculate the Interest Payment Amount for any Class of the Senior Notes in accordance with Senior Notes Condition 7.6 (*Calculation of Interest Payment Amounts*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall determine (or cause to be determined) the Interest Payment Amount for each Senior Note in the manner specified in Senior Notes Condition 7.6 (*Calculation of Interest Payment Amounts*). Any such determination shall be deemed to have been made by the Issuer.

**7.10. Notifications to be final**

Save as provided for under Senior Notes Condition 7.8 (*Amendments to publication*) above, each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Senior Notes Condition 7 (*Interest*), whether by the Calculation Agent, the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on all persons.

**7.11. Unpaid interest with respect to the Senior Notes**

Unpaid interest on the Senior Notes shall accrue no interest.

**8. REDEMPTION, PURCHASE AND CANCELLATION**

**8.1. Final Maturity Date**

8.1.1. Unless previously redeemed in full or cancelled as provided in this Senior Notes Condition 8 (*Redemption, Purchase and Cancellation*), the Senior Notes are due to be repaid in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2. The Issuer may not redeem the Senior Notes in whole or in part prior to the Final Maturity Date except as provided below in Senior Notes Conditions 8.2 (*Mandatory redemption*), 8.3(*Optional redemption*), 8.4(*Optional redemption in whole for taxation reasons*) and 8.5 (*Optional Redemption by the Class A Noteholders*), but without prejudice to Senior Notes Condition 12 (*Trigger Events*) and Senior Notes Condition 13 (*Enforcement*).

8.1.3. If the Issuer has insufficient Issuer Principal Available Funds to repay the Senior Notes in full on the Final Maturity Date, then the Senior Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Senior Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

**8.2. Mandatory redemption**

On the First Payment Date and on each Payment Date thereafter on which there are Issuer Principal Available Funds available for payments of principal in respect of the Senior Notes in accordance with the Pre-Trigger Notice Principal Priority of Payments set out in Senior Notes Condition 6.2 (*Pre-Trigger Notice Principal Priority of Payments*), the Issuer will cause each Class A Note to be redeemed on such Payment Date in an amount equal to such Issuer Principal Available Funds available for payments of principal in respect of the Notes.

**8.3. Optional redemption**

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Senior Notes (in whole but not in

part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Pre-Trigger Notice Principal Priority of Payments, subject to the following and provided that written notice thereof is given to the Rating Agencies:

- 8.3.1. that the Issuer has given not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders in accordance with Senior Notes Condition 16 (Notices) of its intention to redeem the Notes; and
- 8.3.2. that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will, on the relevant Payment Date, have the funds (free and clear of any Security Interest of any third party) required to discharge all of its outstanding liabilities in respect of (a) all the Senior Notes in accordance with this Senior Notes Condition, (b) any amount required to be paid under the Pre-Trigger Notice Principal Priority of Payments in priority to or *pari passu* with the Senior Notes, and (c) and any amount required to be paid under the Pre-Trigger Notice Interest Priority of Payments in priority to or *pari passu* with the Senior Notes.

#### 8.4. **Optional redemption in whole for taxation reasons**

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem in whole (but not in part) the Notes of each Class at their Principal Amount Outstanding, together with accrued and unpaid interest (and, for the Class J Notes, the Variable Return) up to and including the relevant Payment Date, on any Payment Date:

- 8.4.1. after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction); or
- 8.4.2. after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

- 8.4.3. that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders, the Rating Agencies and the Noteholders in accordance with Senior Notes Condition 16 (Notices) of its intention to redeem in whole (but not in part) of the Notes of each Class; and
- 8.4.4. that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:
  - (a) a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and
  - (b) a certificate signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will, on the relevant Payment Date, have the funds (free

and clear of any Security Interest of any third party) required to redeem in whole (but not in part) the Notes of each Class pursuant to this Senior Notes Condition, the Junior Notes Conditions and the Intercreditor Agreement and required to discharge all of its outstanding liabilities in respect of any amount to be paid under the Pre-Trigger Notice Principal Priority of Payments and the Pre-Trigger Notice Interest Priority of Payments in priority to or *pari passu* with the Notes of each Class.

#### 8.5. **Optional Redemption by the Class A Noteholders**

Following the occurrence of an Excess Cash Trigger, as set out in the Investor Report prepared by the Calculation Agent, and provided that no Trigger Notice has been served on the Issuer, during the Revolving Period the Class A Noteholders, representing 100% of the then current Principal Amount Outstanding of the Senior Notes, will be entitled to request the Issuer, through the Representative of the Noteholders (so directed by a resolution (also in form of Written Resolution)), to early redeem (also in part) the Senior Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Pre-Trigger Notice Principal Priority of Payments. To such purpose, the Class A Noteholders shall deliver a written notice to the Issuer and the Calculation Agent at least 4 (four) Business Days before the relevant Calculation Date, for effecting the early redemption of the Class A Notes on the immediately following Payment Date. The exercise of the optional redemption pursuant to this Condition 8.5 will not cause the termination of the Revolving Period. Written notice thereof will be given by the Issuer to the Rating Agencies.

An “**Excess Cash Trigger**” will be deemed to occur in the event that on any Calculation Date during the Revolving Period the balance of the Payment Account exceeds 5% of the Principal Amount Outstanding of the Notes, as calculated by the Calculation Agent and set out in the Payments Report, provided that should the balance of the Payments Account is higher than 15% a Purchase Termination Event will be deemed to occur pursuant to the terms of the Master Receivables Transfer Agreement.

#### 8.6. **Conclusiveness of certificates and legal opinions**

Any certificate or opinion given by or on behalf of the Issuer pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption in whole for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

#### 8.7. **Calculation of Principal Amount Outstanding**

8.7.1. On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

- (a) the amount of the Issuer Principal Available Funds and the Issuer Interest Available Funds;
- (b) the principal payment (if any) due on the Senior Notes on the next following Payment Date; and
- (c) the Principal Amount Outstanding of each Senior Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to such Senior Note).

**8.8. Calculation by the Representative of the Noteholders in case of Issuer default**

8.8.1. If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the principal payment or the Principal Amount Outstanding of each Senior Note in accordance with this Senior Notes Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Senior Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8.2. In the event that also the Representative of the Noteholders fails in providing such calculations, the provisions of the Cash Allocation, Management and Payments Agreement shall apply.

**8.9. Notice of calculation of Principal Amount Outstanding and principal payment**

The Issuer will cause each calculation of the Principal Amount Outstanding and principal payment (if any) in relation to each Senior Note to be notified immediately after calculation (through the Payments Report or the Post Trigger Payments Report) to the Rating Agencies, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Servicer and the Servicer and, for so long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of Principal Amount Outstanding and principal payment (if any) in relation to each Senior Note to be given in accordance with Senior Notes Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

**8.10. Notice Irrevocable**

Any such notice as is referred to in Senior Notes Condition 8.3 (*Optional redemption*), Senior Notes Condition 8.4 (*Optional redemption in whole for taxation reasons*) and Senior Notes Condition 8.9 (*Notice of calculation of Principal Amount Outstanding and principal payment*) shall be irrevocable and, upon the expiration of notice pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption in whole for taxation reasons*), the Issuer shall be bound to redeem the Senior Notes at their Principal Amount Outstanding.

**8.11. No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

**8.12. Cancellation**

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

**9. LIMITED RECOURSE AND NON PETITION**

**9.1. Noteholders not entitled to proceed directly against Issuer**

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

- 9.1.1. is entitled, save as expressly permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- 9.1.2. shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it
- 9.1.3. shall be entitled, until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- 9.1.4. shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

## 9.2. **Limited recourse obligations of Issuer**

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

- 9.2.1. each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- 9.2.2. sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and
- 9.2.3. if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Senior Notes Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Issuer's Segregated Assets or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

## 10. **PAYMENTS**

### 10.1. **Payments through Monte Titoli**

Payment of principal, interest and Variable Return in respect of the Notes will be credited,

according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

**10.2. Payments subject to fiscal laws**

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

**10.3. Payments on Business Days**

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

**10.4. Change of Principal Paying Agent**

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint another paying agent, in accordance with the provisions of the Cash Allocation Management and Payments Agreement. The Issuer will cause at least 30 days' prior notice of any replacement of the Principal Paying Agent to be given to the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) and to the Rating Agencies.

**11. TAXATION**

**11.1. Payments free from Tax**

All payments in respect of the Notes will be made free and clear and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any other person is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or the Principal Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.

**11.2. No payment of additional amounts**

None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent nor any other person will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

**11.3. Taxing jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Senior Notes Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

#### 11.4. **Tax Deduction not Trigger Event**

Notwithstanding that the Representative of the Noteholders, the Issuer, the Principal Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

### 12. **TRIGGER EVENTS**

#### 12.1. **Trigger Events**

Each of the following events is a "**Trigger Event**".

##### 12.1.1. *Non-payment of principal on the Notes*

The Issuer defaults in the payment of the amount of principal on the Final Maturity Date, as due and payable on the Senior Notes, and such default is not remedied within a period of five Business Days from the due date thereof; or

##### 12.1.2. *Non-payment of interest on the Notes*

the Issuer defaults in the payment of the amount of interest on a Payment Date, as due on the Senior Notes, and such default is not remedied within a period of five Business Days from the due date thereof; or

##### 12.1.3. *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any "*Non-payment*" referred to under Senior Notes Condition 12.1.1 and 12.1.2 above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for 30 (thirty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied.

##### 12.1.4. *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is, or proves to have been, incorrect or misleading in any material respect (which is relevant in the opinion of the Representative of the Noteholders), when made or repeated and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such breach remains unremedied for 15 (fifteen) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied;

##### 12.1.5. *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer.

##### 12.1.6. *Unlawfulness*

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

## 12.2. **Delivery of a Trigger Notice**

If a Trigger Event occurs, subject to Senior Notes Condition 13 (*Enforcement*), the Representative of the Noteholders:

12.2.1. in the case of a Trigger Event under Senior Notes Conditions 12.1.1 (*Non-payment of principal on the Notes*) or 12.1.2 (*Non-payment of interest on the Notes*) or 12.1.6 (*Unlawfulness*) above shall; and

12.2.2. in the case of a Trigger Event under Senior Notes Condition 12.1.3 (*Breach of other obligations*) or 12.1.4 (*Breach of representations and warranties*) or 12.1.5 (*Insolvency of the Issuer*) above shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

deliver a written notice (a "**Trigger Notice**") to the Issuer and the Noteholders in accordance with Condition 16 (*Notices*) below.

## 12.3. **Conditions to delivery of Trigger Notice**

Notwithstanding Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

12.3.1. in the case of the occurrence of any of the events mentioned in Senior Notes Condition 12.1.3 (*Breach of other obligations*) and Senior Notes Condition 12.1.6 (*Unlawfulness*) the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Senior Noteholders; and

12.3.2. it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

## 12.4. **Consequences of delivery of Trigger Notice**

12.4.1. Upon the delivery of a Trigger Notice, all payments of principal, interest, Variable Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Senior Notes Condition 6.3 (*Post-Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

12.4.2. Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post Trigger Notice Priority of Payments and pursuant to the terms of the Transaction Documents, as required by Article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

12.4.3. Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to dispose of the Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement. It is understood that no provisions shall require the automatic liquidation of the Portfolio pursuant to Article 21(4)(d) of the

13. **ENFORCEMENT**

13.1. **Proceedings**

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2. **Directions to the Representative of the Noteholders**

The Representative of the Noteholders shall not be bound to take any action described in Senior Notes Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1. to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Class of Notes ranking senior to such Class; or

13.2.2. (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of the Class ranking senior to such Class.

13.3. **Sale of Portfolio**

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby.

It is understood that no provisions shall require the automatic liquidation of the Portfolio as required under Article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

14. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

14.1. **The Organisation of the Noteholders**

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2. **Appointment of the Representative of the Noteholders**

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. **NOTICES**

16.1. **Notices given through Monte Titoli**

Any notice regarding the Senior Notes, as long as the Senior Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2. **Notices in Luxembourg**

As long as the Rated Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to Rated Noteholders shall also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above. It remains understood that any notice sent in accordance with this Condition will be sent also for the purpose of Directive 2004/109/CEE.

16.3. **Other method of giving Notice**

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Senior Notes are then listed.

17. **NOTIFICATIONS TO BE FINAL**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Senior Notes Conditions, whether by the Principal Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, gross negligence or manifest error) be binding on the Principal Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Principal Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

18. **GOVERNING LAW AND JURISDICTION**

18.1. **Governing Law of Notes**

The Senior Notes and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian law.

18.2. **Governing Law of Transaction Documents**

All the Transaction Documents and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian law.

### 18.3. **Jurisdiction**

The Courts of Rome are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes.

## EXHIBIT TO THE TERMS AND CONDITIONS OF THE SENIOR NOTES

### RULES OF THE ORGANISATION OF THE NOTEHOLDERS

#### TITLE I GENERAL PROVISIONS

##### 1. GENERAL

- 1.1 The Organisation of the Noteholders was created concurrently with the issue of and subscription for the €955,000,000 Class A Asset Backed Fixed Rate Notes due 2031 (the "**Class A Notes**") and the €291,500,000 Class J Asset Backed Variable Return Notes due 2031 (the "**Class J Notes**") and together with the Class A Notes, the "**Notes**"), issued by Cars Alliance Auto Loans Italy 2015 S.r.l. on 23 July 2015.

On the Restructuring Date, the notional amount of the Class A Notes and the Class J Notes will be increased of the following notional amount:

(a) Class A Notes: Euro 477,400,000.00; and

(b) Class J Notes: Euro 4,100,000.00,

and therefore, the aggregate notional amount of the Class A Notes and the Class J Notes will result as follows:

(c) Class A Notes: Euro 1,834,800,000.00; and

(d) Class J Notes: Euro 295,600,000.00.

Furthermore, on the Restructuring Date, the Final Maturity Date of the Notes will be extended up to the Payment Date falling in March 2038.

- 1.2 The Organisation of the Noteholders is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

- 1.3 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

- 1.4 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

##### 2. DEFINITIONS AND INTERPRETATION

###### 2.1 **Definitions**

- 2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

- (a) to change any date fixed for the payment of principal, interest or Variable Return in respect of the Notes of any Class;
- (b) to reduce or cancel the amount of principal, interest or Variable Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;
- (d) to change the currency in which payments due in respect of any Class of Notes are payable;
- (e) to alter the priority of payments of interest, Variable Return or principal in respect of any of the Notes;
- (f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;
- (g) to resolve on the matter set out in Senior Notes Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*) and Junior Notes Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) a change to this definition.

**"Blocked Notes"** means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

**"Block Voting Instruction"** means, in relation to a Meeting, a document issued by the Principal Paying Agent:

- (a) certifying that certain specified Notes are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) a specified date which falls after the conclusion of the Meeting; and
  - (ii) the surrender to the Principal Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Noteholders;
- (b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;
- (c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and
- (d) authorising a named individual to vote in accordance with such instructions.

**"Chairman"** means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

**"Condition"** means, as applicable, a condition of the Senior Notes Conditions or of the Junior Notes Conditions.

**"Extraordinary Resolution"** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

**"Holder"** in respect of a Note means the ultimate owner of such Note.

**"Junior Notes Conditions"** means the terms and conditions of the Class J Notes as from time to time modified in accordance with the provisions herein contained and including any other document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

**"Meeting"** means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

**"Monte Titoli"** means Monte Titoli S.p.A..

**"Monte Titoli Account Holder"** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with articles 83-bis *et seq.* of the Italian Financial Act and includes any depositary banks approved by Clearstream and Euroclear.

**"Monte Titoli Mandate Agreement"** means the agreement entered between the Issuer and Monte Titoli.

**"Most Senior Class of Notes"** means the Class A Notes while they remain outstanding and, thereafter, the Class J Notes.

**"Ordinary Resolution"** means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

**"Proxy"** means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

- (a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and
- (b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

**"Resolutions"** means Ordinary Resolutions and Extraordinary Resolutions collectively.

**"Senior Notes Conditions"** means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed in relation to the Senior Notes accordingly.

**"Specified Office"** means: (i) with respect to the Principal Paying Agent (a) the office specified against its name in clause 21.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 16.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payment Agreement; and (ii) with respect to any additional or other Principal Paying Agent appointed pursuant to Senior Notes Condition 10.4 (*Change of Principal Paying Agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Principal Paying Agent in accordance with Senior Notes Condition 10.4 (*Change of Principal Paying Agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**"Transaction Party"** means any person who is a party to a Transaction Document.

**"Trigger Event"** means any of the events described in Condition 12.1 (*Trigger Events*) of the Senior Notes Condition or Condition 12.1 (*Trigger Events*) of the Junior Notes Conditions.

**"Trigger Notice"** means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*) of the Senior Notes Condition or Condition 12.2 (*Delivery of Trigger Notice*) of the Junior Notes Conditions.

**"Voter"** means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction.

**"Voting Certificate"** means, in relation to any Meeting:

- (a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or
- (b) a certificate issued by the Principal Paying Agent stating that:
  - (i) Blocked Notes will not be released until the earlier of:
    - (1) a specified date which falls after the conclusion of the Meeting; and
    - (2) the surrender of such certificate to the Principal Paying Agent; and
  - (ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

**"Written Resolution"** means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

**"48 hours"** means 2 consecutive periods of 24 hours.

- 2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Senior Notes Conditions.

## 2.2 **Interpretation**

- 2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.
- 2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.
- 2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

## 3. **PURPOSE OF THE ORGANISATION**

- 3.1 Each Noteholder is a member of the Organisation of the Noteholders.
- 3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

## **TITLE II**

### **MEETINGS OF THE NOTEHOLDERS**

## 4. **VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS**

### 4.1 **Issue**

- 4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.
- 4.1.2 A Noteholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

### 4.2 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

### 4.3 **Deemed holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by the Principal Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Principal Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

### 4.4 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

### 4.5 **References to the blocking or release**

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place (located in the European Union) selected or approved by the Representative of the Noteholders.

6.4 **Meetings via audio conference or teleconference**

A Meeting may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

- (a) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;
- (b) the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;
- (c) each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;
- (d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and
- (e) for the avoidance of doubt, the Meeting is deemed to take place (located in the European Union) where the Chairman and the person drawing up the minutes will be.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day (falling no later than 30 days after the date of delivery of such notice), time and place (located in the European Union) of the Meeting, must be given to the relevant Noteholders, the Principal Paying Agent, the Rating Agencies, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 **Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in

accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

**7.3 Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

**8. CHAIRMAN OF THE MEETING**

**8.1 Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

**8.2 Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

**8.3 Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

**9. QUORUM**

**9.1 The quorum at any Meeting convened to vote on:**

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be two or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting two or more persons being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be two or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, two or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be two or more persons holding or representing at least 75 per cent of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, two or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class;

provided that if in respect of any Class of Notes the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

- 10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and
- 10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.3 and 10.4 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place (located in the European Union) as the Chairman determines with the approval of the Representative of the Noteholders provided that:
- 10.3 no Meeting may be adjourned more than once for want of a quorum; and
- 10.4 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (located in the European Union). No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. **NOTICE FOLLOWING ADJOURNMENT**

12.1 **Notice required**

Article 7(*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

- 12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- 12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

- 13.1 Voters;
- 13.2 the directors and the auditors of the Issuer;
- 13.3 representatives of the Issuer and the Representative of the Noteholders;
- 13.4 financial advisers to the Issuer and the Representative of the Noteholders;
- 13.5 legal advisers to the Issuer and the Representative of the Noteholders;
- 13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. **VOTING BY SHOW OF HANDS**

- 14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.
- 14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

### 15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

### 15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

## 16. VOTES

### 16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €1,000 in aggregate face amount of outstanding Notes represented or held by the Voter.

### 16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

### 16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

## 17. VOTING BY PROXY

### 17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

### 17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

## 18. ORDINARY RESOLUTIONS

### 18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of the Rules, the Senior Notes Conditions or the Junior Notes Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all

things necessary to give effect to any Ordinary Resolution.

## 18.2 Ordinary Resolution of a single Class

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

## 19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Senior Notes Conditions or the Junior Notes Conditions, shall have power exercisable by Extraordinary Resolution to:

19.2 approve any Basic Terms Modification;

19.3 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Senior Notes Conditions, the Junior Notes Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.4 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.5 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 of the Senior Notes Conditions or Condition 12 of the Junior Notes Conditions;

19.6 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Senior Notes Conditions, the Junior Notes Conditions or any other Transaction Document;

19.7 grant any authorisation or approval, which, under the provisions of these Rules or of the Senior Notes Conditions or the Junior Notes Conditions, must be granted by an Extraordinary Resolution;

19.8 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.9 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes;

19.10 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.11 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

## 19.1 Basic Terms Modification

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

## 19.2 Extraordinary Resolution of a single Class

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to with such Class would be materially prejudiced by the absence of such sanction and, for the purposes of this Article 19.2 (*Extraordinary Resolution of a single Class*), Class A Notes rank senior to Class J Notes.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Article 18.2(*Ordinary Resolution of a single Class*), Article 19.1(*Basic Terms Modification*) and Article 19.2(*Extraordinary Resolution of a single Class*) which take priority over the following:

- 20.1.1 any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting; and
- 20.1.2 any resolution passed at a Meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class J Noteholders and the Class C Noteholders,

and in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer, the Rating Agencies and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. **CHALLENGE TO RESOLUTIONS**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. **MINUTES**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. **WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. **JOINT MEETINGS**

Subject to the provisions of the Rules, the Senior Notes Conditions and the Junior Notes Conditions, joint Meetings of the Class A Noteholders and the Class J Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. **SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS**

Notwithstanding the provisions of articles 19.1, 19.2 and 24 above, the following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

- 25.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;
- 25.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and
- 25.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders

of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. **INDIVIDUAL ACTIONS AND REMEDIES**

- 26.1 Each Noteholder has accepted, and is bound by, the provisions of Condition 9 (*Limited recourse and non petition*) of the Senior Notes Conditions or, as the case may be, Condition 9 (*Limited recourse and non petition*) of the Junior Notes Conditions and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition.
- 26.2 In this respect, the following provisions shall apply:
- (a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;
  - (b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;
  - (c) if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
  - (d) if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.
- 26.3 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

27. **FURTHER REGULATIONS**

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

**TITLE III**

**THE REPRESENTATIVE OF THE NOTEHOLDERS**

28. **APPOINTMENT, REMOVAL AND REMUNERATION**

28.1 **Appointment**

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Zenith Service S.p.A..

28.2 **Identity of Representative of the Noteholders**

The Representative of the Noteholders shall be:

- 28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- 28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act; or
- 28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code (other than Zenith Service S.p.A. as first Representative of the Noteholders) cannot be appointed as Representative

of the Noteholders, and if appointed as such they shall be automatically removed.

**28.3 Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29(*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

**28.4 After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2(*Identity of Representative of the Noteholders*), accepts its appointment and enter into the Intercreditor Agreement and the other Transaction Documents to which the former Representative of the Noteholders was party, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

**28.5 Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

**29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

**30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

**30.1 Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

**30.2 Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

**30.3 Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

- 30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;
- 30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid, provided that notice of any such delegation is given by the Representative of the Noteholders to the Rating Agencies.

Any delegation pursuant to Article 30.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The

Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

**30.4 Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

**30.5 Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

**30.6 Discretions**

Save as expressly otherwise provided herein, the Representative of the Noteholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

**30.7 Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

**30.8 Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

**30.9 Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

**31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

**31.1 Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

**31.2 Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

- 31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and

until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

- 31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 31.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (a) the nature, status, creditworthiness or solvency of the Issuer;
  - (b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;
  - (c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and
  - (e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Portfolio;
- 31.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- 31.2.6 shall have no responsibility for procuring or maintaining the listing of the Notes and/or any rating of the Notes by any credit or rating agency or any other person;
- 31.2.7 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 31.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- 31.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 31.2.10 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;
- 31.2.11 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;
- 31.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;
- 31.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;
- 31.2.14 shall not be under any obligation to insure the Portfolio or any part thereof;

- 31.2.15 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Senior Notes Condition 12.3.1 or Junior Notes Condition 12.3.1 on the basis of an opinion formed by it in good faith;
- 31.2.16 shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

### 31.3 **Specific Permissions**

- 31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.
- 31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.
- 31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.
- 31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

### 31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

### 31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

## 32. **RELIANCE ON INFORMATION**

### 32.1 **Advice**

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information

obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

#### 32.2 **Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

#### 32.3 **Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

- 32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;
- 32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and
- 32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

#### 32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

#### 32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

#### 32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

#### 32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, would not result in the downgrading or placement in creditwatch of the Class A Notes by any Rating Agencies. 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. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Notes or any Class thereof, the Representative of the Noteholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer.

### 32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

### 32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

## 33. **MODIFICATIONS**

### 33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion of the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 of the Senior Notes Conditions and Condition 5.11 of the Junior Notes Conditions and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the Holders of the Most Senior Class of Notes, provided that in this event the Representative of the Noteholders may act in accordance with Article 32.7 above,

provided that prior notice of any such modification is given by the Representative of the Noteholders and/or the Issuer to the Rating Agencies.

### 33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the

Conditions relating to notices of Noteholders and the relevant Transaction Documents.

**33.3 Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

**34. WAIVER**

**34.1 Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its sole opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents, without any consent or sanction of the Noteholders.

**34.2 Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

**34.3 Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

**34.4 Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders, the Rating Agencies and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

**35. SECURITY DOCUMENTS**

**35.1 The Deed of Pledge**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to in this Article 35 as the "**Secured Noteholders**".

**35.2 Rights of Representative of the Noteholders**

35.2.1 The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Payments Account or to any other account opened in the name of the Issuer and appropriate for such purpose;

35.2.2 The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Issuer's Accounts or to any other account opened in the name of the Issuer and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deed of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

36. **INDEMNITY**

Pursuant to the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents.

37. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own gross negligence (*colpa grave*) or wilful default (*dolo*).

#### **TITLE IV**

##### **THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE**

38. **POWERS**

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Issuer's Segregated Assets. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

#### **TITLE V**

##### **GOVERNING LAW AND JURISDICTION**

39. **GOVERNING LAW**

The Rules, and any non-contractual obligation arising therefrom or connected therewith, are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

40. **JURISDICTION**

The Courts of Rome will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules.

## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

### Ring-fencing of the assets

By virtue of the operation of Article 3 of the Securitisation Law, the assets relating to each securitisation transaction will be segregated for all purposes from all other assets of the company which performs the securitisation (the "**SPV**") (including any other assets purchased by such company pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of such a company, to satisfy the obligations to the Noteholders and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

The Italian law decree (*decreto-legge*) No. 91 of 24 June 2014, which has been converted into law by the Italian Parliament with law No. 116 of 11 August 2014 (the "**Decree 91**") has extended the segregation effects provided for under Article 3, paragraph 2, of the Securitisation Law. In particular it has been specified that receivables relating to each securitisation transaction, meaning the receivables towards the assigned debtors and any other claims owed to the SPV in the context of the transaction, as well as any relevant collections and financial assets purchased through the proceeds of the receivables, form separate assets from the assets of the SPV and those relating to other securitisation transactions. No actions against such segregated assets may be taken by creditors other than the holders of the securities issued to finance the purchase of the relevant receivables.

In addition, Decree 91 has inserted new paragraphs 2-*bis* and 2-*ter* in Article 3 of the Securitisation Law, pursuant to which:

- the sums standing to the credit of the SPV's accounts (i) are capable of being seized and attached only by the relevant noteholders; and (ii) can be used exclusively to satisfying the claims of such noteholders, hedging counterparty and to pay the relevant transaction's costs;
- in the event that the bank holding the SPV's accounts becomes subject to any proceedings under Title IV of the Consolidated Banking Act or any insolvency proceedings, the sums deposited on such accounts also pending such proceedings (i) are not subject to suspension of payments and (ii) will be immediately and fully returned to the SPV without the need for the filing of any petition in the relevant proceeding and outside any distribution plan;
- the sums standing to the credit of the servicer's accounts are capable of being seized and attached by the creditors of the relevant servicer (or sub-servicer, as the case may be) only within the limits of the amounts exceeding the sums collected and due to the SPV; and
- in the event that the relevant servicer (or sub-servicer, as the case may be) becomes subject to

an insolvency proceeding, the sums deposited on such accounts also pending such insolvency proceeding, for an amount equal to the amounts pertaining to the SPV, will be immediately and fully returned to the relevant SPV without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

### **The assignment**

Each assignment of the Receivables from RCI Banque Italy to the Issuer are governed by the provisions of the Master Receivables Transfer Agreement and the relevant perfection requirements have to be fulfilled in accordance with the provisions of the Securitisation Law .

In particular, the assignment of the receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of the Securitisation Law, is that the assignment can be perfected against the assignor, the debtors in respect of the receivables and third party creditors by way of publication of the relevant notice in the Official Gazette of the Republic of Italy and registration in the Companies Register, so avoiding the need for notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment vis-à-vis the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraphs 1, 1-bis and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained through the payment of the relevant purchase price bearing an indisputable date (*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 payment (in whole or in part) of the purchase price for the assigned receivables bearing an indisputable date:

- 1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;
- 2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;
- 3) the assignment becomes enforceable against:
  - (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;
  - (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette or prior to the date on which the payment of the

relevant purchase price has become certain at law (*data certa*), an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw-back action according to article 67 of the Bankruptcy Law. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

### **The Issuer**

Under the provisions of Article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (Articles from 2410 to 2420) are not applicable to the Issuer.

### **Attachment of Debtor's credits**

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

### **Settlement of the over-indebtedness crisis (*sovraindebitamento*) under Law No. 3/2012**

Under Italian Law No. 3 of 27 January 2012 ("*Disposizioni in materia di usura e di estorsione, nonché di composizione delle crisi da sovraindebitamento*") (the "**Law No. 3/2012**"), in order to remedy to situations in which a debtor is definitively not able to fully and timely fulfil its obligations ("*sovraindebitamento*"), a debtor may enter into a debt restructuring agreement ("**Settlement Agreement**") in the context of the settlement procedure provided for therein ("**Settlement Procedure**").

In particular, the debtor can accede to the Settlement Procedure if it:

- (a) cannot be subject to the insolvency procedures provided by the Bankruptcy Law;
- (b) has not benefited of any Settlement Procedure in the past five years;
- (c) is subject, for circumstances chargeable to it, to the measures provided for articles 14 and 14-bis of Law No. 3/2012;
- (d) has filed unclear documentation which does not consent to properly recognize its financial and patrimonial situation.

Pursuant to Law No. 3/2012, a Settlement Agreement may provide for a one-year period moratorium in respect of payments in favour of creditors who have not entered into the Settlement Agreement (*creditori estranei*), provided that:

- (i) the debt restructuring plan is suitable to ensure payment of the relevant obligations within the relevant deadline provided for therein;
- (ii) the execution of the debts restructuring plan has been entrusted to a liquidator appointed by the

competent Court; and

- (iii) the moratorium does not concern undistrainable (*impignorabili*) receivables.

The Settlement Agreement must be filed with the competent Court together with, inter alia, the list of all creditors of the relevant debtor.

The competent Court, in the event that the requirements provided by Law No. 3/2012 subsist, provides, by decree, that the creditors cannot commence or continue foreclosure proceedings (*azioni esecutive*) and seizures (*sequestri conservativi*) and create pre-emption rights on the assets of the debtor provided that such decree may be revoked by the competent Court in the event of actions in prejudice of the creditors or fraud against them made by the debtor.

The Settlement Agreement has to be agreed by creditors (excluding certain categories of secured creditors and the purchasers or assignees of the relevant receivables owed by the debtor which have purchased such receivables from less than one year from the date of request of the Settlement Procedure) representing at least 60 per cent. of the debtor's debts and then be approved (*omologato*) by the competent Court.

### **Recent main changes in Italian bankruptcy and civil procedure law**

The Italian Parliament adopted Law Decree No. 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Law No. 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

- (a) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;
- (b) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;
- (c) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;
- (d) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least 40% of non-preferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;
- (e) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract (please see the paragraph "Italian Law on Leasing" below for more details on this provision); and
- (f) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to

creditors.

These provisions of Decree No. 83 have not been tested in any case law nor specified in any further regulation.

### **Law Decree No. 59/2016**

The Italian Parliament has recently adopted the Law Decree No. 59 of 3 May 2016 (*Disposizioni urgenti in materia di procedure esecutive e concorsuali, nonché a favore degli investitori in banche in liquidazione*) converted into law by Law No. 119 of 30 June 2016 (the "**Decree No. 59**"), providing for urgent measures on guarantees, foreclosure and insolvency proceedings and aiming at restoring damages suffered by investors of banks under liquidation.

The main features of the reform implemented by Decree No. 59 are summarised herein below:

- (a) a new security interest over movable assets ("*pegno mobiliare non possessorio*") has been introduced in order to improve the businesses' access to financing;
- (b) it is now possible for banks and other financial intermediaries authorised to carry out lending activities pursuant to Article 106 of the Consolidated Banking Act to agree in the financing arrangements with businesses to obtain, in case of default, title to a designated real estate asset(s) (such measure expressly provides for an exception to the general Italian rule pursuant to which a secured creditor is not allowed to repossess a pledged or mortgaged asset upon the borrower's default);
- (c) certain provisions have been introduced in order to further accelerating (following the recent amendments in enforcement proceedings) credit recovery through more efficient enforcement proceedings. In particular:
  - (i) no oppositions to enforcement procedures are allowed (with limited exceptions) if the sale process for the asset has already been launched;
  - (ii) courts must (with no discretion) order provisional execution of an injunction order for the portion of the claim which has not been challenged by the debtor;
  - (iii) a bidder in an auction may identify a third party assignee to become the owner of the asset.
- (d) changes have been introduced to Italian insolvency law to facilitate certain procedural aspects by strengthening the use of online technologies to enhance interactivity within the context of hearings and creditors' meetings;
- (e) a digital registry shall be set up and held by the Ministry of Justice, which includes data relating to all the compulsory expropriation, insolvency proceedings and alternative debt restructuring resolution schemes.

These provisions of Decree No. 59 have not been tested in any case law nor specified in any further regulation.

### **Consumer credit provisions**

#### **(a) Consumer credit provisions and enactment of Law Decree 141**

The Portfolio comprises Receivables deriving from Loans granted to individuals (the "**consumers**") acting outside the scope of their entrepreneurial, commercial, craft or

professional activities. Such Loans fall within the category of “consumer loans” which, in Italy, is regulated by, amongst others: (i) articles 121 to 126 of the Italian Banking Act and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of legislative decree 13 August 2010 no. 141 (as subsequently amended "**Legislative Decree 141**") which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Legislative Decree 141 has become enforceable on 19 September 2010.

**(b) Law Decree 141 and existing credit consumer agreements**

Even if Legislative Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive and the implementing measures of Legislative Decree 141, it can be stated that the provisions set by Legislative Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.

**(c) Scope of application**

Prior to the entry into force of Legislative Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the Comitato Interministeriale per il Credito e il Risparmio (CICR) (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Currently article 122 of the Italian Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.

**(d) Right of withdrawal**

Pursuant to article 125-ter of the Italian Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (i) either from the day of the conclusion of the credit agreement, or (ii) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-bis of the Italian Banking Act, if that day is later than the date referred to under point (i). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-duodecies of the Consumer Code will apply. Pursuant to article 125-quater of the Banking Italian Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Law Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

## TAXATION

*The following is a general description of current Italian law and practice relating to certain Italian tax aspects concerning the purchase, ownership and the disposal of the Notes. It does not purport to be a complete analysis of all tax issues that may be relevant to the prospective investors' decision to purchase or own the Notes or the noteholders' decision to dispose of the same and does not purport to deal with the tax consequences applicable to all categories investor or prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.*

*This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are subject to change, potentially retroactively.*

*Prospective purchasers of the Notes are advised to consult, in any case, their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. This summary will not be updated by the Issuer after the Restructuring Date to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this summary could become invalid.*

### Income tax

Under current legislation, pursuant to the provision of Article 6, paragraph 1, of the Securitisation Law and of Decree No. 239, as amended, payments of interest and other proceeds in respect of the Notes (hereinafter collectively referred to as **"Interest"**):

- (a) will be subject to final substitute tax (*imposta sostitutiva*) at the rate of 26 per cent. in Italy if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes holding Notes not in connection with entrepreneurial activity; (ii) Italian resident partnerships (other than società in nome collettivo, società in accomandita semplice or similar partnerships), de facto partnerships not carrying out commercial activities and professional associations; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their only or main purpose; (iv) Italian resident entities exempt from corporate income tax; and (v) non-Italian resident entities or persons without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from the *imposta sostitutiva* and/or do not timely comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from *imposta sostitutiva* (unless the Noteholders sub (i) to (iii) entrusted the management of their financial assets, including the Notes, with an authorised intermediary and opted for the *Risparmio Gestito* regime according to Article 7 of Legislative Decree number 461 of 21 November 1997 - the **"Asset Management Option"**). As to non-Italian resident beneficial owners, *imposta sostitutiva* may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

The 26 per cent. final *imposta sostitutiva* (or, in certain cases, for treaty covered non-Italian resident beneficial owners, the lower rate provided for by the relevant applicable double tax treaty) will be generally applied by the Italian resident qualified financial intermediaries (or permanent establishments in Italy of foreign intermediaries) that will intervene, in any way, in the collection of Interest on the Notes or in the transfer of the Notes (the **"Intermediaries"** and each an **"Intermediary"**).

In case the Notes are held by Noteholders mentioned above under (i) to (iii) that are engaged in a business activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the income tax due by the Noteholders;

- (b) will not be subject to *imposta sostitutiva* at the rate of 26 per cent. if made to investors who are:
- (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected; (ii) Italian resident open-ended or a closed-ended collective investment funds (other than a real estate investment fund), closed-ended investment companies (*società di investimento a capitale fisso*, or "**SICAF**") (other than a real estate SICAF) or open-ended investment companies (*società di investimento a capitale variabile*, or "**SICAV**"), Italian resident pension funds subject to the regime provided for by Article 17, paragraph 2, of Legislative Decree 5 December 2005, No. 252, Italian resident real estate investment funds and closed-ended real estate investment companies to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply ("**Real Estate SICAF**"); (iii) Italian residents holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option; and (iv) according to Decree 239, non-Italian resident beneficial owners of the Notes or institutional investors, even though not subject to taxation, with no permanent establishment in Italy to which the Notes are effectively connected, provided that:
1. such beneficial owners or institutional investors are respectively resident for tax purposes or established in a country included in the list of States which recognise the Italian fiscal authorities' right to an adequate exchange of information, so-called "**White List States**" (the present list of the countries allowing an adequate exchange of information is that contained in the Italian Ministerial Decree 4 September 1996, as subsequently amended and supplemented. Such Decree might be updated or amended from time to time pursuant to Article 11 of Decree 239), and
  2. all the requirements and procedures set forth in Decree 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met and complied with.

Decree 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international bodies and organisations established in accordance with international agreements ratified in Italy, and (ii) Central Banks or entities, managing, inter alia, also the official State reserves.

To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, investors indicated above sub-paragraph (b) must (i) be the beneficial owners of payments of Interest on the Notes or certain non-Italian resident institutional investors; (ii) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Intermediary or with a non-Italian resident entity participating in a centralised securities management system which is in contact, via telematic link, with the Ministry of Economics; and (iii) in the event of non-Italian resident beneficial owners or institutional investors being holders of the Notes, according to Decree 239, timely file with the relevant depository a self-declaration stating to be resident for tax purposes or established in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information included among the White List States (for non-Italian resident Noteholders who are institutional investors certain additional declarations might also be required depending on the circumstances). Such self-declaration – which is not requested for international bodies and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities managing also official State reserves – must comply with the requirements set forth by Italian Ministerial Decree of 12 December 2001, is valid until withdrawn or revoked and must not be submitted in case that a certificate, declaration

or other similar document meant for equivalent uses was previously submitted to the same depository.

Italian resident Noteholders holding Notes not in connection with entrepreneurial activity who have entrusted the management of the Notes to an authorised intermediary and have opted for the Asset Management Option are subject to a 26 per cent. annual substitutive tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include any Interest accrued on the Notes during the holding period). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Subject to certain conditions (including minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected 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 from *imposta sostitutiva*, on interest, premium and other income relating to the Notes, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholders, also in the net value of production for the purposes of regional tax on productive activities - IRAP) of beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporation to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident collective investment funds (which include open-ended or closed-ended investment fund, a SICAV or a SICAF and so-called Luxembourg investment funds regulated by Article 11-bis of Law Decree No. 512 of 30 September 1983 – collectively, the "**Funds**") are not subject to income tax. A substitute tax of 26 per cent. is levied, in certain circumstances, to distribution made by the Funds in favour of certain categories of unit holders or shareholders.

Italian resident pension funds subject to the regime set forth by Article 17, paragraph 2, of Legislative Decree 5 December 2005, No. 252 (the "**Pension Funds**") are subject to a 20 per cent. annual substitutive tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period). Subject to certain conditions, Interest arising in respect of the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where the Noteholder is an Italian resident real estate investment fund or Real Estate SICAF (collectively, the "**Real Estate Funds**"), interest and other proceeds in respect of the Notes are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent on distributions made by Italian Real Estate Funds.

Where the Notes and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the *imposta sostitutiva* suffered from income taxes due by them.

## **Capital gains tax**

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations or similar commercial entities;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree number 461 of 21 November 1997 ("**Decree 461**"), any capital gain realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* (substitute tax) at the current rate of 26 per cent..

Under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss of the same nature, realised by Italian resident individual noteholders holding Notes not in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given fiscal year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax declaration to be filed with the Italian tax authorities for such year 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 of the same kind realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding the Notes not in connection with entrepreneurial activity may elect to pay 26 per cent. *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries and (ii) an express election for the Risparmio Amministrato regime being timely made in writing by the relevant Noteholder. Under the Risparmio Amministrato regime, the financial intermediary 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 at revocation of its mandate), net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer. Under the Risparmio Amministrato regime, where a sale or redemption of the Notes results in capital loss, such loss may be deducted from capital gains of the same kind subsequently realised within the same relationship of deposit 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 capital gains in its annual tax declaration and remains anonymous.

Any capital gains realised by Italian resident Noteholders holding Notes not in connection with entrepreneurial activity who have elected for the Asset Management Option 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 the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any decrease in value 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 Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

Subject to certain conditions (including minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected 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 from *imposta sostitutiva*, on capital gains realized upon sale or transfer for consideration or redemption of the Notes, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Any capital gains realised by Noteholders who are Italian resident Funds are not subject to income tax. A substitute tax of 26 per cent. is levied, in certain circumstances, to distribution made by the Funds in favour of certain categories of unit holders or shareholders upon redemption or disposal of the units.

Any capital gains realised by Noteholders who are Italian resident Pension Funds, will be included in the computation of the taxable basis of Pension Fund Tax. Subject to certain conditions, capital gains arising in respect of the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law

Any capital gains realised by Noteholders who are Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund. A withholding tax at a rate of up to 26 per cent. will be applied under certain circumstances on income realised by the participants to the Real Estate Fund on distributions or redemption of the Fund's units (where the item of income realised by the participants may include the capital gains on the Notes).

The 26 per cent. final *imposta sostitutiva* on capital gains may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad and in certain cases subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are held in Italy but are not listed on a regulated market in Italy or abroad:

- (i) pursuant to the provisions of Article 5 of Decree 461, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes, if they are resident, for tax purposes, in a Country which recognises the Italian fiscal authorities' right to an adequate exchange of information (included among the White List States, as defined above).

Exemption from Italian *imposta sostitutiva* on capital gains realised upon disposal of Notes not listed on a regulated market also applies to non-Italian residents who are (a) international bodies and organizations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors, even though not subject to income tax or to other similar

taxes, established in countries which allow an adequate exchange of information with Italy included among the White List States and (c) Central Banks or other entities, managing also official State reserves.

In such cases, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the Risparmio Amministrato regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders that are institutional investors;

- (ii) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon 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 sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the Risparmio Amministrato regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents which include inter alia a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

The Risparmio Amministrato regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

### **Inheritance and gift tax**

Inheritance and gift tax would be payable in Italy at the following rates on the transfer of the Notes by reason of death or donation, regardless of whether or not the Notes are held outside of Italy, if the deceased person or the donor were either resident or non-resident in Italy for tax purposes at the time of death or gift:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value of the entire inheritance or gift exceeding Euro 1,000,000.00 for each beneficiary;
- 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to tax on the value of the entire inheritance or gift exceeding Euro 100,000.00 for each beneficiary;
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;
- 8 per cent in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value of the

entire inheritance or gift exceeding Euro 1,500,000.00 for each beneficiary.

Inheritance and gift tax do not apply in case the the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable as set forth by Italian law.

### **Transfer tax**

The transfer of the Notes is not subject to any transfer tax in Italy. The transfer deed may be subject to Italian registration tax as follows: (i) public deeds and notarized deeds executed in Italy are subject to fixed registration tax at a fixed amount of Euro 200.00; (ii) private deeds are subject to registration tax at a rate of Euro 200.00 due only in case of use or voluntary registration or if the so called *caso d'uso* or *enunciazione* occurs.

### **Stamp duty**

Pursuant to Article 13 of the Tariff attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty can be no lower than Euro 34.20. If the client is not an individual, the stamp duty cannot be higher than Euro 14,000.00.

### **Wealth Tax on securities deposited abroad**

Pursuant to Article 19(18) of Decree No. 201 of 6 December 2011, Italian resident individuals, Italian non-commercial private or public institutions and Italian non-commercial partnerships holding financial assets – including the Notes – outside of the Italian territory are required to pay in their own annual tax declaration a wealth tax at the rate of 0.2 per cent. For taxpayers other than individuals, this wealth tax cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid (if any) in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Tax monitoring**

Pursuant to Italian Law Decree No. 167 of 28 June 1990, converted by Italian Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy who hold investments abroad or have financial activities abroad or are the beneficial owners, under the Italian money-laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of the mentioned Decree 167/1990, or if one of such intermediaries intervenes, also as a counterpart, in

their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

### The Senior Notes Subscription Agreement

RCI Banque S.A. (the "**Initial Senior Noteholder**"), has, pursuant to the Senior Notes Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Initial Senior Notes Noteholder, agreed to subscribe and pay the Issuer for the Senior Notes at their Issue Price of 100 per cent of their principal amount.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Initial Senior Notes Noteholder in certain circumstances prior to payment for the Senior Notes to the Issuer. The Issuer has agreed to indemnify the Initial Noteholder against certain liabilities in connection with the issue of the Senior Notes.

### The Junior Notes Subscription Agreement

RCI Banque Italy (the "**Initial Junior Noteholder**") has, pursuant to the Junior Notes Subscription Agreement dated on or about the Issue Date between Initial Junior Notes Noteholder, the Representative of the Noteholders and the Issuer, agreed to subscribe and pay the Issuer for the Junior Notes at the Issue Price of 100 per cent of their principal amounts upon issue of the Class J Notes.

### The Junior Notes Conditions

Except for Junior Notes Conditions relating to the interest payable on the Junior Notes and the early redemption of the Junior Notes through the disposal of the Portfolio following full redemption of the Senior Notes, the Junior Notes Conditions are the same, *mutatis mutandis*, as the Senior Notes Conditions.

Under the Senior Notes Conditions and the Junior Notes Conditions the obligations of the Issuer to make payment in respect of the Class J Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Class J Noteholders will be the first creditors to bear any shortfall.

### The Fourth Master Amendment Agreement

Pursuant to the Master Amendment Agreement, RCI Banque S.A., in its capacity as sole Senior Noteholder, has agreed to subscribe and pay, on the Restructuring Date, for the increase of the notional amount of the Senior Notes, a principal amount equal to Euro 722,013,807.46 multiplied by the relevant Pool Factor as at the Restructuring Date.

## GENERAL RESTRICTIONS

The purchase, offer, sale and delivery of the Notes shall be made in compliance with all applicable laws and regulations in each jurisdiction in which the Notes are purchased, offered, sold or delivered. Furthermore, there will not be, directly or indirectly, offer, sale or delivery of any 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, no action will be taken to obtain permission for public offering of the Notes in any country where action

would be required for such purpose.

### United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after commencement of the offering, an offer or sale of Rated Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### United Kingdom

The Initial Senior Noteholder and the Originator have, pursuant to the Senior Notes Subscription Agreement, represented, warranted and undertaken to the Issuer and each of the other that:

- (i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by the Noteholder in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by the Noteholder in relation to such Junior Notes in, from or otherwise involving the United Kingdom.

### Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2 of the Prospectus Regulation, Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**") and Article 35, first paragraph, letter d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended ("**Regulation No. 20307**"); or
- (b) where an exemption from the rules governing public offers of securities applies, pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act and Article 34-ter, first paragraph of CONSOB Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy in compliance with the selling restrictions under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities

in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993, as amended;

- (ii) in compliance with article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

In accordance with Article 5 of the Prospectus Regulation and the applicable Italian laws, where no exemption from the rules of the public offerings applies under (a) and (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Prospectus Regulation and the applicable Italian laws. Failure to comply with such rules may result, *inter alia*, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

For the purposes of this provision, the expression an “**offer of the Notes to the public**” means any communication in any form and by any means of sufficient information on the terms of the offer including the placement through authorised intermediaries.

#### **Prohibition of Sales to EEA Retail Investors**

Each of the Initial Senior Noteholder and the Originator have, pursuant to the Senior Notes Subscription Agreement represented, warranted and undertaken to the Issuer and each of the other that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Senior Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or
  - (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 dated 14 June 2017 (the "**Prospectus Regulation**"); and
- (a) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **Prohibition of Sales to UK Retail Investors**

Each of the Initial Senior Noteholder and the Originator have, pursuant to the Senior Notes Subscription Agreement represented, warranted and undertaken to the Issuer and each of the other that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Senior Notes to any retail investor in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in the UK Prospectus Regulation;
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes;
- (c) the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 dated 14 June 2017 as it forms part of domestic law by virtue of the EUWA.

## GENERAL INFORMATION

### Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the quotaholders' meeting of the Issuer passed on 9 July 2015. The increase of the principal amount of the Notes as of the Restructuring Date was authorised by a resolution of the quotaholders' meeting of the Issuer passed on 24 February 2021.

### Listing and admission to trading

Application has been made to list the Senior Notes (as increased on the Restructuring Date) on 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 estimated total expenses in relation to the listing and admission to trading are Euro 5,700.00 plus VAT if applicable.

In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request.

### Litigations

The Issuer is not (and was not in the period between the date of its incorporation and the date of this Prospectus) involved in any governmental, litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Notes and which may have, or have had, during the period between the date of its incorporation and the date of this Prospectus, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

### Indebtedness and No Material Adverse Change

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 and, in the period between 31 December 2019 and the date of this Prospectus, no material adverse change or prospects has occurred in the financial position of the Issuer.

### Issuer's accounts

The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

### Clearing systems

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

| <i>Class of Notes</i> | <i>Common code</i> | <i>ISIN code</i> |
|-----------------------|--------------------|------------------|
| Class A Notes         | 126613920          | IT0005123945     |
| Class J Notes         | N/A                | IT0005123952     |

### **Documents available for inspection**

As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and in any case for the entire life of this Prospectus, copies of the following documents may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent and of the Listing Agent at any time after the date of this Prospectus and on the website of Securitisation Repository (being, as at the date of this Prospectus, [www.eurodw.eu](http://www.eurodw.eu)):

- (a) the memorandum and articles of associations of the Issuer (*atto costitutivo* and *statuto*); and
- (b) the documents incorporated by reference to this Prospectus;
- (c) the following agreements:
  - (i) Master Receivables Transfer Agreement;
  - (ii) Servicing Agreement;
  - (iii) Warranty and Indemnity Agreement;
  - (iv) Intercreditor Agreement;
  - (v) Cash Allocation, Management and Payments Agreement;
  - (vi) Master Definitions Agreement;
  - (vii) Deed of Pledge;
  - (viii) Mandate Agreement;
  - (ix) Quotaholder's Agreement;
  - (x) Quotaholder Corporate Services Agreement;
  - (xi) Corporate Services Agreement;
  - (xii) Master Amendment Agreement;
  - (xiii) Increase Additional Portfolio Transfer Agreement;
  - (xiv) Supplemental Deed of Pledge;
  - (xv) Second Master Amendment Agreement;
  - (xvi) Subordinated Loan Agreement;
  - (xvii) Second Supplemental Deed of Pledge;
  - (xviii) Third Master Amendment Agreement;

- (xix) Increase Further Additional Portfolio Transfer Agreement;
- (xx) Fourth Master Amendment Agreement; and
- (xxi) Third Supplemental Deed of Pledge.

### **Post issuance reporting**

So long as any of the Senior Notes remains outstanding, copies of the Payments Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders on each Calculation Date and on each date on which it is produced. The next Payments Report will be available at the registered office of the Issuer and the Representative of the Noteholders on or about the Calculation Date immediately preceding the Payment Date falling in April 2021. The Payments Reports will be produced monthly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Senior Note.

In addition, so long as any of the Senior Notes remains outstanding, each Investor Report will be made available to Noteholders on a monthly basis via the Calculation Agent's internet website currently located at <https://www.zenithservice.it>. It is not intended that Investor Report will be made available in any other format. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are Noteholders.

### **Estimated annual fees and expenses**

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately € 100,000.00 (excluding servicing fees and any VAT, if applicable).

The total expenses payable in connection with the admission of the Senior Notes to trading on the Regulated Market "*Bourse de Luxembourg*" will be borne by the Originator.

### **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 815600F4EB04E8BB5E46.

### **Home Member State for the purpose of the Transparency Directive**

The Issuer has elected the Grand Duchy of Luxembourg as Home Member State for the purpose of the Directive 2004/109/EC (the "**Transparency Directive**").

### **Hyper-links to websites**

Other than in relation to the documents which are incorporated by reference (see "*Documents incorporated by reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus, and may be inspected during normal business hours at the registered office of the Issuer and the Representative of the Noteholders:

- (a) the audited annual financial statements of the Issuer for the financial year ended 31 December 2018 (the "**2018 Financial Statement**");

<http://dl.bourse.lu/dlp/1057b04c50c34142759cb1be7abd129ce3>

- (b) the audited annual financial statements of the Issuer for the financial year ended 31 December 2019 (the "**2019 Financial Statement**");

<http://dl.bourse.lu/dlp/10e152123c822343328af406c2082031f8>

- (c) the auditor's report on the 2018 Financial Statement (the "**2018 Auditor's Report**");

<http://dl.bourse.lu/dlp/10a048728be8c94ebea84fc47d382f88b1>

- (d) the auditor's report on the 2019 Financial Statement (the "**2019 Auditor's Report**").

<http://dl.bourse.lu/dlp/1017c991d4a6954732b4932d275908c15f>

The following information is incorporated by reference, and the following cross-reference list (referred to the 2018 Financial Statement, the 2019 Financial Statement, the 2018 Auditor's Report and the 2019 Auditor's Report) is provided to enable investors to identify specific items of information so incorporated:

| Documents                | Information contained  | Reference Page  |
|--------------------------|--|---|
| 2018 Financial Statement | <ul style="list-style-type: none"> <li>- Report of the Sole Director</li> <li>- Statement of Financial Position and Income Statement</li> <li>- Statement of comprehensive income</li> <li>- Statement of changes in equity</li> <li>- Statement of cash flows</li> <li>- Notes to financial statements</li> </ul> | <ul style="list-style-type: none"> <li>4 – 9</li> <li>11 – 12</li> <li>13</li> <li>14 – 15</li> <li>16</li> <li>17 – 43</li> </ul>      |
| 2019 Financial Statement | <ul style="list-style-type: none"> <li>- Report of the Sole Director</li> <li>- Balance Sheet and Income Statement</li> <li>- Statement of the comprehensive income</li> <li>- Statement of changes in Quotaholder Equity</li> <li>- Statement of cash flows</li> <li>- Notes to financial statements</li> </ul>   | <ul style="list-style-type: none"> <li>4 – 9</li> <li>12 – 13</li> <li>14</li> <li>15 – 16</li> <li>17 – 18</li> <li>18 – 42</li> </ul> |
| - 2018 Auditor's Report  | Entire document  | All   |
| - 2019 Auditor's Report  | Entire document  | All   |

Those parts of the documents incorporated by reference in this Prospectus which are not specifically mentioned in the cross-reference list above are either not relevant for prospective investors or covered elsewhere in this Prospectus.

The Prospectus and copy of the above documents incorporated by reference will be available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)).

## GLOSSARY

*These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

**"3 Month Average Delinquency Rate"** means, as of each Calculation Date starting from the third Calculation Date following the Issue Date, the ratio calculated according to the following formula:

(a) / (b)

Where:

"(a)" means the aggregate of the Delinquency Rate calculated on such Calculation Date and on the two preceding Calculation Dates;

"(b)" means 3.

**"Acceptance"** means the acceptance by the Issuer of each Offer relating to an Additional Portfolio (other than the Increase Additional Portfolio and the Increase Further Additional Portfolio), made pursuant to the Master Receivables Transfer Agreement.

**"Account Bank"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Account Bank Report"** means the report to be prepared and delivered by the Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**"Accrued Interest"** means, on the relevant Valuation Date in relation to each Receivable, the portion of Interest Instalments accrued but not yet due as of such date pursuant to the relevant Loan Agreement.

**"Additional Portfolio"** means any portfolio of Receivables purchased by the Issuer, following the purchase of the Initial Portfolio, during the Revolving Period, pursuant to the Master Receivables Transfer Agreement (including the Increase Additional Portfolio and the Increase Further Additional Portfolio).

**"Adjustment Purchase Price"** means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1(b) of the Master Receivable Transfer Agreement, an amount calculated in accordance with clause 4.3 of the Master Receivable Transfer Agreement.

**"Agent"** means each of the Account Bank, the Cash Manager, the Principal Paying Agent and the Calculation Agent, appointed pursuant to the Cash Allocation Management and Payments Agreement.

**"Arranger"** means CA-CIB.

**"Balloon Financing Ratio"** means, on each Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Balloon Loans as of the Collection Date immediately preceding such Calculation Date, and (ii) the Outstanding Principal of the Receivables relating to Balloon Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Balloon Loans"** means a Loan with "balloon" payment, i.e. amortising on the basis of equal monthly Instalments, but with a significant portion of the outstanding principal repaid in a single "bullet" payment

at maturity, pursuant to which the relevant Debtors may exercise a Balloon Option.

**"Balloon Option"** means, indistinctively, the following options available to a Debtor under a Balloon Loan upon maturity: (a) to retain the relevant vehicle and pay the final "balloon" Instalment to the Originator; (b) return the relevant vehicle to the Dealer, with the option to purchase a new vehicle; or (c) rescheduling, with the consent of the Originator, the payment of the final "balloon" Instalment, up to a maximum period of three years.

**"Bol Supervision Guidelines"** means the *Disposizioni di Vigilanza per le banche* issued by the Bank of Italy with Circular No. 285 of 17 December 2013, as amended and supplemented from time to time.

**"Business Day"** means each day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Paris, Luxembourg, Milan and Rome, and which is a TARGET Settlement Day in relation to the settlement of payments denominated in Euro.

**"CA-CIB"** means Crédit Agricole – Corporate and Investment Bank, with its principal office at 12 place des Etats-Unis - CS 70052, 92547 Montrouge Cedex, France, registered at the *Registre du Commerce et des Sociétés* of Nanterre under number 304 187 701.

**"Calculation Agent"** means Zenith Service S.p.A. and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Calculation Date"** means the date falling 8 Business Days after each Servicer's Report Date.

**"Cash Allocation, Management and Payments Agreement"** means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Master Servicer, the Originator, the Representative of the Noteholders, the Account Bank, the Corporate Servicer, the Cash Manager, the Calculation Agent and the Principal Paying Agent, as amended and supplemented from time to time.

**"Cash Manager"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Cash Reserve"** means a reserve created with part of the proceeds of issue of the Class J Notes on the Issue Date and credited on the Reserve Account.

**"Class"** shall be a reference to a class of Notes being the Class A Notes or the Class J Notes and **"Classes"** shall be construed accordingly.

**"Class A Noteholders"** or **"Senior Noteholders"** means the holders of the Class A Notes.

**"Class A Notes"** or **"Senior Notes"** means the €1,834,800,000 Class A Asset Backed Fixed Rate Notes due 2038 issued by the Issuer on the Issue Date, as increased on the Restructuring Date.

**"Class J Noteholders"** or **"Junior Noteholders"** means the holders of the Class J Notes.

**"Class J Notes"** or **"Junior Notes"** means the €295,600,000 Class J Asset Backed Variable Return Notes due 2038, issued by the Issuer on the Issue Date.

**"Clean Up Option Date"** means the Payment Date in respect of which the Outstanding Principal of the Portfolio have become equal to, or less than, 10 per cent. of the Outstanding Principal of the overall Portfolio as of the Restructuring Date (including the Outstanding Principal of the Increase Further Additional Portfolio as of the relevant Valuation Date).

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

**"Collateral Security"** means, with reference to each Receivable, any pledge, guarantee, indemnity or

other support agreement or security interest for the performance of such Receivable, including without limitation any Insurance Policy and/or Mortgage, assisting the relevant Loan.

**"Collection Account"** means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107380 (IBAN IT97Z0343201600002212107380), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Collection Date"** means the 10<sup>th</sup> day of each calendar month, provided that the first Collection Date was 10 September 2015.

**"Collection Period"** means each period commencing on a Collection Date (included) and ending on the immediately following Collection Date (excluded), provided that the first Collection Period has begun on the Valuation Date (excluded) and ended on the Collection Date (excluded) falling on 9 September 2015.

**"Collection Policies"** means the procedures for the granting of credit and the collection and recovery used by RCI Banque Italy in respect of the Receivables, as attached under schedule 4 to the Servicing Agreement.

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

**"Commitment Amount"** means Euro 10,000,000.

**"Common Criteria"** means the objective criteria for the selection of each Portfolio specified in schedule 1 to the Master Receivables Transfer Agreement.

**"Conditions"** means, together, the Senior Notes Conditions and the Junior Notes Conditions and **"Condition"** means a condition of either of them.

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

**"Consumer Code"** means the Italian Legislative Decree No. 206 of 6 September 2005, as amended and supplemented from time to time.

**"Consumer Credit Legislation"** means, collectively, (i) articles 121 to 126 of the Italian Banking Act, as amended and supplemented from time to time; and (ii) the Consumer Code.

**"Corporate Servicer"** means Zenith Service S.p.A. and any successor or assigner thereto in accordance with the Corporate Services Agreement.

**"Corporate Services Agreement"** means the agreement executed on or about the Issue Date between the Issuer and the Corporate Servicer, as amended and supplemented from time to time.

**"Criteria"** means the criteria set out in schedule 1 and schedule 2 to the Master Receivable Transfer Agreement, on the basis of which the Receivables are identified in pool (*in blocco*) pursuant to articles 1 and 4 of the Securitisation Law.

**"CRR"** means the Regulation (EU) No. 575/2013 of 26 June 2013, as amended and supplemented from time to time.

**"Cumulative Net Default Rate<sup>18</sup>"** means, as at each Calculation Date, the ratio calculated according to

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<sup>18</sup> For the purpose of the calculation of such Performance Trigger (i) the Receivables to be taken into consideration include also all those Receivables already repurchased by the Originator and (ii) the aggregate Outstanding Principal Nominal of the

the following formula:

(a) / (b)

Where:

- (a) means the positive difference between (i) the aggregate Outstanding Principal Nominal of all Defaulted Receivables, and (ii) the Cumulative Net Prepayment Profits;
- (b) means the Outstanding Principal Nominal of the Portfolio as of the Restructuring Date (including the Increase Further Additional Portfolio).

**"Cumulative Net Default Rate Percentage"** means 4%

**"Cumulative Net Prepayment Profits"** means, on any Calculation Date, the aggregate profits realised by the Issuer in respect of all Instalments of all Loan Agreements which have been prepaid prior to their respective due dates for payment on or prior to the immediately preceding Collection Date as calculated by the Servicer and set out in the latest Servicer's Report prepared and delivered by the Master Servicer.

**"Cura Italia Decree"** means Law Decree No. 18 of 17 March 2020.

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

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

| <b><i>DBRS</i></b> | <b><i>Moody's</i></b> | <b><i>S&amp;P</i></b> | <b><i>Fitch</i></b> |
|--------------------|-----------------------|-----------------------|---------------------|
| AAA                | Aaa                   | AAA                   | AAA                 |
| AA(high)           | Aa1                   | AA+                   | AA+                 |
| AA                 | Aa2                   | AA                    | AA                  |
| AA(low)            | Aa3                   | AA-                   | AA-                 |
| A(high)            | A1                    | A+                    | A+                  |
| A                  | A2                    | A                     | A                   |
| A(low)             | A3                    | A-                    | A-                  |
| BBB(high)          | Baa1                  | BBB+                  | BBB+                |
| BBB                | Baa2                  | BBB                   | BBB                 |
| BBB(low)           | Baa3                  | BBB-                  | BBB-                |
| BB(high)           | Ba1                   | BB+                   | BB+                 |

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Defaulted Receivables comprised in the Portfolio and the Cumulative Net Prepayment Profits as of the Restructuring Date shall be deemed equal to zero.

| <b>DBRS</b> | <b>Moody's</b> | <b>S&amp;P</b> | <b>Fitch</b> |
|-------------|----------------|----------------|--------------|
| BB          | Ba2            | BB             | BB           |
| BB(low)     | Ba3            | BB-            | BB-          |
| B(high)     | B1             | B+             | B+           |
| B           | B2             | B              | B            |
| B(low)      | B3             | B-             | B-           |
| CCC(high)   | Caa1           | CCC+           | CCC+         |
| CCC         | Caa2           | CCC            | CCC          |
| CCC(low)    | Caa3           | CCC-           | CCC-         |
| CC          | Ca             | CC             | CC           |
| C           | C              | D              | D            |

**"DBRS Minimum Rating"** means: (a) if a Fitch public rating, a Moody's public rating and an S&P public rating (each, a **"Senior Debt Rating"**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Senior Debt Rating remaining after disregarding the highest and lowest of such Senior Debt Ratings from such rating agencies (provided that if such Senior Debt 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 Senior Debt Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Senior Debt Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Senior Debt Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Senior Debt Rating (provided that if such Senior Debt Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Senior Debt Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Senior Debt Rating (provided that if such Senior Debt Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**"Dealer"** means any dealer (*concessionario*) that executed a sale agreement of the vehicle with the relevant Debtor, who have bought such vehicle through the granting of the relevant Loan Agreement.

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

**"Decree 239"** means the Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

**"Decree 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree 239.

**"Deed of Pledge"** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

**"Defaulted Receivables"** means a Receivable in respect of which:

- (a) on a certain date, the amount overdue as principal or interest in respect of such Receivable by the relevant Debtor is higher than 6 (six) times the relevant Instalment; or

the Receivable has been qualified as a loss (*passaggio a perdita*) by the Servicer in accordance with the Collection Policies; or

the Receivable has been qualified as a fraud by the Servicer in accordance with the Collection Policies; or

the Receivable has been transferred *pro soluto* to external factoring companies or to any other similar third party by the Servicer in accordance with the Collection Policies.

**"Delinquency Rate<sup>19</sup>"** means, as at each Calculation Date, the ratio calculated according to the following formula:

(a) / (b)

Where:

- (a) means the aggregate Outstanding Principal Nominal of all Delinquent Receivables, having at least two, but not more than six, Instalments overdue and unpaid according to the relevant Loan Agreement;
- (b) means the aggregate of (i) the Outstanding Principal Nominal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Issuer Principal Available Funds.

**"Delinquency Rate Percentage"** means 2.5%

**"Delinquent Receivables"** means any Receivable that:

- (a) is not a Defaulted Receivable;
- (b) in respect of which one Instalment (or a portion thereof) remains unpaid as specified in the Collection Policies.

**"Determination Date"** means:

- (i) with respect to the first Interest Period, the day falling two Business Days prior to the Issue Date; and
- (ii) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

**"Discount Rate"** means, for each Receivable, the higher of (i) 6.75% and (ii) the relevant contractual interest rate.

**"Drawing"** means each drawing of the Subordinated Loan made by the Loan Provider to the Issuer under the Subordinated Loan Agreement, up to the Commitment Amount.

**"Drawn Reserve Amount"** means, on any Calculation Date, the lower of (i) the Reserve Amount and

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<sup>19</sup> For the purpose of the calculation of such Performance Trigger, the Receivables to be taken into consideration include also all those Receivables already repurchased by the Originator.

(ii) the Interest Shortfall.

**"EBA Guidelines on the STS Criteria"** means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named *"Guidelines on the STS criteria for non-ABCP securitisation"*.

**"Effective Date"** means the date of execution of the Master Receivables Transfer Agreement, the Servicing Agreement and the Warranty and Indemnity Agreement, i.e. 13 July 2015.

**"Eligible Institution"** means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

- (a) whose unsecured and unsubordinated debt obligations have the following ratings:
  - (i) with respect to DBRS:
    - (x) a long-term public or private rating at least equal to "A"; or
    - (y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or
    - (z) such other rating as may from time to time comply with DBRS' criteria; and
  - (ii) with respect to Moody's, a long-term rating at least equal to "Baa2" or, in the event of a depository institution which does not have a long-term rating by Moody's, a "P-2" short-term rating by Moody's; or
- (b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

**"Eligible Institution Guarantee"** means a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America having at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee has been notified to the Rating Agencies.

**"Eligible Investments"** means:

- (a) any Euro denominated senior (unsubordinated) debt securities or other debt instruments having the following ratings:
  - (i) with respect to DBRS:
    - (x) if such investments have a maturity date equal to or lower than 30 days: (1) a short-term public or private rating at least equal to "R-1 (low)" in respect of short term debt or a long-term public or private rating at least equal to "A" in respect of long-term debt, or (2) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "A" in respect of long-term debt; or
    - (y) such other rating as may from time to time comply with DBRS' criteria; and
  - (ii) with respect to Moody's, if such investments have a maturity date lower than 30 calendar days, a short-term public rating at least equal to "P-1" and a long-term public rating at least equal to "A2",

provided that such investments (i) are in dematerialised form; (ii) are immediately repayable on demand, disposable without any penalty or any loss; (iii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iv) in case of

downgrading below the rating levels set out above, shall be liquidated within 3 days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (v) have a maturity date not exceeding the Eligible Investment Maturity Date; or

- (b) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an Eligible Institution provided that such investments (i) are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling no later than the immediately following Eligible Investment Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) shall be transferred, within 30 calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at cost of the account bank with which the relevant deposits were held; and (iv) the deposits shall be in Euro, held in Italy and subject to a first ranking security in favour of the Noteholders and the Other Issuer Creditors,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities, or (iv) any other instrument from time to time specified in the European Central Bank monetary policy regulations as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested.

**"Eligible Investments Maturity Date"** means each day falling no later than two Business Days before each Payment Date.

**"Eonia"** means the weighted average of overnight Euro Interbank Offer Rates for inter-bank loans and for Euro currency deposits.

**"€STR"** means the reference rate equal to the daily euro short-term rate provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), published on the website of the European Central Bank (initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank).

**"EU CRA Regulation"** means the credit rating agencies regulation under the Regulation (EU) No. 1060/2009, as amended and supplemented from time to time.

**"EU Insolvency Regulation"** means the Council Regulation (EC) No. 1346/2000 of 29 May 2000, as amended and supplemented from time to time.

**"Euro", "euro", "cents" and "€"** refer to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of European Union of 7 February 1992, establishing the European Union and the European Council of Madrid of 16 December 1995.

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

**"Euro-Zone"** means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**"Expenses"** means:

- (a) any and all documented fees, costs, expenses and taxes, required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and
- (b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

**"Expenses Account"** means the euro denominated account established in the name of the Issuer with the Account Bank, with number 002212107383 (IBAN: IT21C0343201600002212107383), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Extended Revolving Period"** means the period commencing on the Restructuring Date and ending on the earlier of (i) the Payment Date falling 36 months after the Restructuring Date (included) and (ii) the date of occurrence of a Purchase Termination Event.

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

**"Final Maturity Date"** means the Payment Date falling in March 2038.

**"First Payment Date"** means the Payment Date falling in October 2015.

**"Fourth Master Amendment Agreement"** means the master amendment agreement executed on 4 March 2021 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager, the Quotaholder and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"FSMA"** means the Financial Services and Markets Act 2000.

**"Guarantor"** means any person having issued or released a Collateral Security.

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

**"Increase Additional Portfolio"** means the Additional Portfolio purchased by the Issuer from the Originator as of the Increase Date pursuant to the Master Receivables Purchase Agreement, the Master Amendment Agreement and the Increase Additional Portfolio Transfer Agreement.

**"Increase Additional Portfolio Transfer Agreement"** means the transfer agreement entered into on 24 April 2018 between the Originator and the Issuer for the transfer of the Increase Additional Portfolio as of the Increase Date, in accordance and subject to the provisions of the Master Amendment Agreement and the Master Receivables Transfer Agreement.

**"Increase Further Additional Portfolio"** means the Additional Portfolio purchased by the Issuer from the Originator as of the Restructuring Date pursuant to the Master Receivables Purchase Agreement, the Third Master Amendment Agreement and the Increase Further Additional Portfolio Transfer Agreement.

**"Increase Further Additional Portfolio Transfer Agreement"** means the transfer agreement entered into on 24 February 2021 between the Originator and the Issuer for the transfer of the Increase Further

Additional Portfolio as of the Restructuring Date, in accordance and subject to the provisions of the Third Master Amendment Agreement and the Master Receivables Transfer Agreement.

**"Increase Date"** means 9 May 2018.

**"Individual Purchase Price"** has the meaning ascribed to such term in clause 3.1 of the Master Receivables Transfer Agreement.

**"Initial Junior Noteholder"** means RCI Banque Italy.

**"Initial Noteholders"** means, collectively, the Initial Senior Noteholder and the Initial Junior Noteholder.

**"Initial Senior Noteholder"** means RCI Banque S.A..

**"Initial Portfolio"** means the portfolio of Receivables purchased on the Effective Date by the Issuer pursuant to the terms and conditions of the Master Receivables Transfer Agreement.

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

- (a) such company or corporation is liquidated (*liquidazione*), including any voluntary winding-up resolved by the shareholders (*liquidazione volontaria*), or it has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or analogous procedures, agreements or plans introduced or amended by the Italian Legislative Decree no. 14/2019 (*Codice della crisi d'impresa e dell'insolvenza*), or is failing or is likely to fail pursuant to article 17 of the Legislative Decree No. 180 of 16 November 2015 (if applicable) (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders and notified to the Rating Agencies); or

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

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

**"Insurance Company"** means each insurance company that has issued an Insurance Policy.

**"Insurance Policy"** means, with respect to each Loan Agreement, the insurance policies executed by the relevant Debtor (if any), the relevant rights and actions deriving therefrom are included in the Receivables transferred to the Issuer pursuant to the Master Receivables Transfer Agreement.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

**"Interest Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Interest Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) all amounts received by the Issuer from any Eligible Investments in excess of the original amount invested in the relevant Eligible Investment;
- (c) all amounts of interest accrued on and credited to the Issuer's Account; and
- (d) the amount of each Drawing made available from time to time by the Loan Provider to the Issuer under the Subordinated Loan.

**"Interest Component"** means in relation to an Instalment payable on a given date "(t)", an amount calculated in accordance with the following formula:

$$NPV_{t-1} \times i / 12$$

where:

*t* means the due date of the Instalment on which the Interest Component is calculated using this formula;

*t-1* means the due date of the previous Instalment;

*NPV<sub>t-1</sub>* means the Net Present Value of the relevant Receivable at the due date of the previous Instalment;

*i* means the relevant Discount Rate.

**"Interest Instalment"** means the interest part of each Instalment due from a Debtor in respect of a Receivable.

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

**"Interest Period"** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the Initial Interest Period shall begin on the Issue Date (included) and end on the First Payment Date (excluded).

**"Interest Shortfall"** means, on any Calculation Date, the difference (if negative) between (a) the amount of the Issuer Interest Available Funds (other than the amounts referred to under items (b) and (c) of such definition), and (b) the amount of the Issuer Interest Available Funds that would have been necessary to cover the payments to be made under items (i) to (v) of the Pre-Trigger Notice Interest Priority of Payments on the immediately following Payment Date.

**"Issue Date"** means 23 July 2015.

**"Issue Price"** means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

**"Issuer"** means Cars Alliance Auto Loans Italy 2015 S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at Via Vittorio Betteloni, 2, 20131 - Milan, Italy, fiscal code and enrolment with the companies register of Milan number 08831670966, enrolled under number 351916 in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 1 October 2014.

**"Issuer's Accounts"** means, collectively, the Collection Account, the Payments Account, the Reserve Account, the Expenses Account and the Securities Account (if any) and **"Issuer's Account"** means any of them.

**"Issuer Available Funds"** means, together, the Issuer Principal Available Funds and the Issuer Interest Available Funds, it being understood that the Not Assigned Collections will not form part of the Issuer Available Funds until the Calculation Date immediately preceding the Final Maturity Date, when all the Not Assigned Collections shall form part of the Issuer Principal Available Funds.

**"Issuer Interest Available Funds"** means, on any Calculation Date, the aggregate of:

- (a) all Interest Collections standing to the credit of the Collection Account as of such Calculation Date;
- (b) the Drawn Reserve Amount; and
- (c) all amounts of Interest Shortfall to be paid on the immediately following Payment Date pursuant to item (i) of the Pre Trigger Notice Principal Priority of Payments.

**"Issuer Principal Available Funds"** means, as of each Calculation Date, the aggregate of:

- (a) the Principal Collections standing to the credit of the Collection Account as at such Calculation Date;
- (b) any amounts to be paid on the immediately following Payment Date pursuant to items (vii) and (viii) of the Pre Trigger Notice Interest Priority of Payments;
- (c) the Reserve Released Amount transferred to the Payments Account from the Reserve Account on or prior to the immediately following Payment Date;
- (d) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Reserve Account;
- (e) on the Calculation Date immediately preceding the Payment Date on which the Senior Notes will be redeemed in full or after the service of a Trigger Notice, any amounts standing to the credit of the Expenses Account;
- (f) the Prepayment Profits collected by the Servicer during the relevant Collection Period; and

(g) on the Calculation Date immediately preceding the Final Maturity Date, all the Not Assigned Collections.

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

**"Issuer's Segregated Assets"** means, together, the Portfolio, the collections in respect thereof, any financial assets purchased with such moneys and the other claims of the Issuer which arise the context of the Securitisation, which are segregated by operation of law from the Issuer's other assets pursuant to the Securitisation Law.

**"Italian Banking Act"** means the Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**"Italian Bankruptcy Law"** means the Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

**"Italian Financial Act"** means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**"Joint Regulation"** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

**"Junior Notes"** means the Class J Notes.

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

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

**"Junior Notes Subscription Agreement"** means the subscription agreement executed on or about the Issue Date between the Issuer, the Initial Junior Noteholder and the Representative of the Noteholders, for the subscription of the Junior Notes.

**"Legal Moratorium"** means the deferral of payment of the Instalments related to a Loan falling due up to the Legal Moratorium Expiry Date pursuant to the relevant Loan's amortisation plan, having the terms and conditions set forth in article 56 of the Cura Italia Decree, granted by RCI Banque Italy as Servicer upon request of the relevant SME Debtor.

**"Legal Moratorium Expiry Date"** means the expiry date (as modified from time to time) of the moratorium measures provided by article 56 of the Cura Italia Decree.

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

**"Limited Recourse Loan"** means any limited recourse loan made by the Originator to the Issuer pursuant to clause 4.2 of the Warranty and Indemnity Agreement.

**"Loan"** means each auto-loan granted by the Originator to a Debtor, on the basis of a Loan Agreement, from which the Receivables transferred to the Issuer pursuant to the Master Receivables Transfer Agreement arise.

**"Loan Agreement"** means each auto-loan agreement, from which a Receivable arises, entered into between the Originator and a Debtor and pursuant to which RCI Banque Italy has granted a Loan.

**"Loan Provider"** means RCI Banque Italy.

**"Mandate Agreement"** means the mandate agreement entered into on or about the Issue Date between

the Issuer and the Representative of the Noteholders.

**"Master Amendment Agreement"** means the master amendment agreement executed on 24 April 2018 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Master Receivables Transfer Agreement"** means, indistinctively, the master receivables transfer agreement entered into on 13 July 2015 between the Issuer and the Originator, as amended and supplemented from time to time.

**"Master Servicer"** means Zenith Service S.p.A., acting as such pursuant to the Servicing Agreement.

**"Master Servicer Fee"** means the fee due to the Master Servicer, as determined in accordance with clause 2.3.3 of the Servicing Agreement.

**"Master Servicer Termination Event"** means each of the events provided for under clause 2.3.4 of the Servicing Agreement, which causes the termination of the appointment of the Master Servicer, in accordance with the provisions set forth thereunder.

**"Matrice dei Conti"** has the meaning ascribed to it under the Bank of Italy with Circular No. 272 of 30 July 2008, as amended and supplemented from time to time.

**"Monte Titoli"** means Monte Titoli S.p.A., a joint stock company having its registered office at Piazza degli Affari, 6, 20123 - Milan, Italy.

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

**"Monte Titoli Mandate Agreement"** means the agreement entered into between the Issuer and Monte Titoli.

**"Moody's"** means Moody's Investors Service Espana, S.A..

**"Moratorium"** means, together, the Legal Moratorium and the Voluntary Moratorium.

**"Moratorium End Date"** means the latest of (i) the Voluntary Moratorium Expiry Date, and (ii) the Legal Moratorium Expiry Date.

**"Moratorium Period"** means the period starting from the date of the execution of the Second Master Amendment Agreement (included) and the Moratorium End Date (included).

**"Mortgage(s)"** means any *ipoteca* (i) existing over the relevant vehicle and created in accordance with the provisions of the relevant Loan Agreements, whose benefit has been transferred to the Issuer upon transfer of the Receivables deriving from such Loan Agreements, and (ii) that may be created by the Servicer for the benefit of the Issuer – pursuant to the Servicing Agreement - over the relevant vehicle in accordance with the provisions of the relevant Loan Agreements.

**"Most Senior Class of Notes"** means the Class A Notes and, following the full repayment of all the Class A Notes, the Class J Notes.

**"Net Present Value"** means the net present value of each Receivable, calculated by applying the following formula:

$$\sum_{t=1} R_t \times (1+i/12)^{-Dt}$$

t=1

where:

**N** means the total number of Instalments payable and not yet collected under the Loan Agreement from which such Receivable arises, during the period commencing on (and including) the relevant Valuation Date of such Receivable until (and including) the date on which it becomes due and payable;

**R<sub>t</sub>** means the amount of Instalment number t payable under the relevant Loan Agreement;

**i** means the relevant Discount Rate;

**D<sub>t</sub>** means the sequential number of Instalment between the due date of the Instalment number "t" and the Valuation Date;

**t** means the sequential number of an Instalment (where, for the avoidance of doubt, "1" means the first Instalment payable under the Loan Agreement from which such Receivable arises and "N" means the final Instalment).

**"New Vehicle"** means a car produced by a car manufacturer of the Renault Group or the Nissan Group, which, on its date of purchase, has not had any previous owner prior to be sold to the relevant Debtor.

**"Nissan Group"** means the group of brands, owned by Nissan Motor Co. Ltd., denominated "Nissan" and "Infiniti" which manufacture new vehicles which may be sold in Italy by an authorised dealer (*concessionario autorizzato*) or a branch of Nissan S.r.l..

**"No SDD Loans"** means any Loan granted to a Debtor who has decided not to pay the relevant Instalments through a SDD (*Sepa Direct Debit*).

**"No SDD Ratio"** means, on each Calculation Date, the ratio between:

- (a) the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to No SDD Loans as of the Collection Date immediately preceding such Calculation Date, and (ii) the Outstanding Principal of the Receivables relating to No SDD Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- (b) the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Not Assigned Collections"** means any Collections paid with respect to the Delinquent Receivables by a Debtor who has decided not to pay the relevant Instalment through a SDD (*Sepa Direct Debit*) and that has not yet been reconciled by the Servicer and divided between Interest Component and Principal Component.

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

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

**"Notice"** means any notice delivered under or in connection with any Transaction Document.

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

**"Offer"** means each offer made by the Originator to the Issuer for the sale of an Additional Portfolio

(other than the Increase Additional Portfolio and the Increase Further Additional Portfolio), in accordance with the Master Receivables Transfer Agreement.

**"Offer Date"** means the date, which falls 3 (three) Business Days following each Servicer's Report Date, in which the Originator delivers an Offer to the Issuer pursuant to the Master Receivables Transfer Agreement.

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

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

**"Original Revolving Period"** means the period commencing on the Effective Date and ending on the earlier of (i) the date falling 30 months after the Effective Date and (ii) the date of occurrence of a Purchase Termination Event.

**"Originator"** (or also **"Seller"**) means RCI Banque Italy.

**"Other Issuer Creditors"** means the Originator, the Servicer, the Master Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders and any party who at any time accedes to the Intercreditor Agreement.

**"Outstanding Balance"** means, on any given date and in relation to any Receivables, the aggregate of the Principal Instalments and of the Interest Instalments due but unpaid as at such date and of any outstanding penalties (including default interest (if any)) with respect thereto.

**"Outstanding Principal"** means, on any given date:

- (a) in relation to a Receivable, the aggregate of the Principal Components of such Receivable that have not yet been paid up as at such date; and
- (b) in relation to the Portfolio, the aggregate of all the Principal Components of all the Receivables that have not yet been paid up as at such date.

**"Outstanding Principal Nominal"** means, on any given date:

- (a) in relation to a Receivable, the aggregate of the Principal Instalments of such Receivable that have not yet been paid up as at such date; and
- (b) in relation to the Portfolio, the aggregate of all the Principal Instalments of all the Receivables that have not yet been paid up as at such date.

**"Payment Date"** means: (a) prior to the delivery of a Trigger Notice, the 8<sup>th</sup> day of each calendar month or, if such day is not a Business Day, the immediately following Business Day; and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payment, the Conditions and the Intercreditor Agreement, provided that the First Payment Date has fallen in October 2015.

**"Payments Account"** (or also **"Payment Account"**) means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107381 (IBAN: IT67A0343201600002212107381), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**"Performing Receivable"** means, at any date, a Receivable that is not (i) a Defaulted Receivable, and (ii) a Receivable which has been fully repaid or fully written off.

**"Pool Factor as at the Restructuring Date"** means 100% in respect of the Senior Notes.

**"Pool Factor as at the Increase Date"** means 100% in respect of the Senior Notes.

**"Portfolio"** means, as the case may be, (i) each of the Initial Portfolio and the Additional Portfolios (including the Increase Additional Portfolio and the Increase Further Additional Portfolio) purchased by the Issuer pursuant to the Master Receivables Transfer Agreement, and (ii) together, the aggregate of the Initial Portfolio and all Additional Portfolios purchased by the Issuer pursuant to the Master Receivables Transfer Agreement.

**"Portfolio Concentration Criteria"** means the objective criteria that shall be satisfied, as of the relevant Valuation Date of any Additional Portfolio, with respect to the aggregate Portfolio, pursuant to clause 2.4.3 of the Master Receivables Transfer Agreement.

**"Post-Trigger Notice Priority of Payments"** means the Priority of Payments under the Senior Notes Condition 6.3 (*Post-Trigger Notice Priority of Payments*).

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

**"Pre-Trigger Notice Interest Priority of Payments"** means the Priority of Payments for the application of the Issuer Interest Available Funds under the Senior Notes Condition 6.1 (*Pre-Trigger Notice Interest Priority of Payments*).

**"Pre-Trigger Notice Principal Priority of Payments"** means the Priority of Payments for the application of the Issuer Principal Available Funds under the Senior Notes Condition 6.2 (*Pre-Trigger Notice Principal Priority of Payments*).

**"Prepayment Profits"** means, on any Calculation Date, the aggregate profits realised by the Issuer in respect of all Instalments of all Loan Agreements which have been prepaid prior to their respective maturity dates, during the relevant Collection Period.

**"Principal Amount Outstanding"** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue (as increased on the Increase Date and as further increased on the Restructuring Date) less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and
- (b) in relation to a Class, the aggregate of the amounts calculated according to (a) above in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amounts calculated according to (a) above in respect of all Notes outstanding, regardless of Class.

**"Principal Collections"** means, as of each Calculation Date with reference to the immediately preceding Collection Period, the aggregate of:

- (a) all Principal Components collected by the Servicer in respect of the Receivables during the immediately preceding Collection Period and credited, or to be credited, into the Collection Account;
- (b) the amount of Recoveries which are standing to the credit of the Collection Account;

- (c) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Transfer Agreement (other than in respect of the Interest Component) and the Warranty and Indemnity Agreement during the immediately preceding Collection Period (including any amount received by the Issuer from or in respect of the Insurance Policies);
- (d) all the proceeds deriving from the sale (in whole or in part), if any, of the Portfolio, in accordance with the provisions of the Transaction Documents;
- (e) all the proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;
- (f) the amount credited to the Payments Account on the immediately preceding Payment Date; and
- (g) any amounts (other than the amounts already allocated under other items of the Issuer Principal Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period.

**"Principal Component"** means in relation to each Instalment, the relevant aggregate amount of such Instalment less the Interest Component thereof, taking into account all the proceeds from the related Collateral Security (including any proceeds under the Insurance Policies) and any other amount paid under or in relation to the relevant Loan Agreement and connected to such Instalment, to the extent not related to the Interest Component of such Instalment.

**"Principal Instalment"** means the principal part of each Instalment due from a Debtor in respect of a Receivable.

**"Principal Paying Agent"** means CA-CIB, Milan Branch and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**"Principal Shortfall"** means, on any Calculation Date, the positive difference between:

- (a) the aggregate Outstanding Principal (as defined below) of all Defaulted Receivables in respect of all Loan Agreements since the Issue Date as of such Calculation Date;
- (b) the sum of all Issuer Interest Available Funds paid on the preceding Payment Dates under item (vii) of the Pre-Trigger Notice Interest Priority of Payments; and
- (c) the Cumulative Net Prepayment Profits as at such Calculation Date.

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

**"Privacy Provisions"** means the Italian Legislative Decree No. 196 of 30 June 2003 (as amended and supplemented from time to time), and any other provision related to the data processing from time to time applicable, including Regulation (EU) 2016/679 (*General Data Protection Regulation (GDPR)*) which will apply starting from 25 May 2018.

**"Professional"** means a Debtor exercising a professional activity or small business identified by the Originator with a VAT Number;

**"Professional Financing Loans"** means a Loan the Debtor of which is a Professional.

**"Professional Financing Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Professional Financing Loans as of the Collection Date relating to such Calculation Date and

(ii) the Outstanding Principal of the Receivables relating to Professional Financing Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;

- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Prospectus"** means the prospectus dated on or about the Restructuring Date prepared in connection with the increase of the Senior Notes by the Issuer.

**"Purchase Price"** means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio and each Additional Portfolio, as the case may be, pursuant to the Master Receivables Transfer Agreement.

**"Purchaser"** means the Issuer, as purchaser (*cessionario* or *acquirente*) under the Master Receivables Transfer Agreement.

**"Purchase Termination Event"** means any of the events provided for under clause 8 of the Master Receivables Transfer Agreement, the occurrence of which will prevent the Issuer from purchasing Additional Portfolios, in accordance with the provisions of the Master Receivables Transfer Agreement.

**"Purchase Termination Notice"** means the notice given by the Originator and/or the Representative of the Noteholders (as the case may be) following the occurrence of a Purchase Termination Event.

**"Quotaholder"** means Stichting SFM Italy No. 1.

**"Quotaholder's Agreement"** means the agreement executed on or about the Issue Date between the Issuer, the Originator, the Quotaholder and the Representative of the Noteholders.

**"Quotaholder Corporate Servicer"** means Structured Finance Management (Netherlands) B.V. . and any successor or assignee thereto pursuant to the Quotaholder Corporate Services Agreement.

**"Quotaholder Corporate Services Agreement"** means the agreement executed on or about the Issue Date between, amongst others, the Issuer and the Quotaholder Corporate Servicer.

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

**"Rating Agencies"** means DBRS and Moody's.

**"RCI Malta"** means the insurance companies RCI Life Ltd and RCI Insurance Ltd, based in Malta and owned by RCI Banque S.A. group.

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

- (a) all rights and claims in respect of the Outstanding Principal (including, for the avoidance of doubt, all rights and claims in respect of the Outstanding Principal, together with any other rights and claims, towards the relevant Dealer upon exercise of the Balloon Option by the Debtor pursuant to the respective Loan Agreement);
- (b) all rights and claims in respect of the payment of interest accrued on the Loans and not collected up to the relevant Valuation Date (excluded);
- (c) all rights and claims in respect of the payment of interest accruing on the Loans from the relevant Valuation Date (excluded);
- (d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts due pursuant to the Loan Agreements;

- (e) any Collateral Security relating to the relevant Loan Agreement, including without limitation all rights and claims relating to the Insurance Policies and the Mortgages;
- (f) all privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*), the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*) and the right to make any claim against the Dealers in connection with the relevant Loans,

other than, for the avoidance of doubts, any monetary receivables arising from the agreements for the granting and utilisation by the Debtors of any credit cards (*carte di credito*) issued in connection with the granting of the Loans under the Loan Agreements and any subsidies (*contributi*) paid, or to be paid, by the Dealers to the Originator in relation to a Loan pursuant to the relevant Loan Agreement.

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

**"Reference Banks"** means three (3) major banks in the Euro-Zone inter-bank market, as selected by the Principal Paying Agent.

**"Regulated Market"** means the Luxembourg Stock Exchange's main regulated market "*Bourse de Luxembourg*".

**"Regulatory Technical Standards"** means, (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation and entered into force in the European Union, (ii) the transitional regulatory technical standards applicable pursuant to Article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

**"Renault Group"** means the group of brands, owned by Renault S.A., denominated "Renault", "Dacia" and "Samsung" which manufacture new vehicles which may be sold in Italy by an authorised dealer (*concessionario autorizzato*) or a branch of Renault S.A.S..

**"Reporting Entity"** means RCI Banque Italy or any other entity as notified to the investors in the Notes acting as reporting entity pursuant to Article 7(2) of the EU Securitisation Regulation and the Intercreditor Agreement, and any of its permitted successors or transferees.

**"Representative of the Noteholders"** means Zenith Service S.p.A. or any successor or assignee thereto in accordance with the Conditions and the Rules of Organisation of the Noteholders.

**"Required Reserve Amount"** means, on any Calculation Date, during the Revolving Period, the Reserve Initial Amount and, thereafter, following the end of the Revolving Period, the higher of (a) € 1,000,000 and (b) 1 per cent. of the Principal Amount Outstanding of the Notes as at the immediately preceding Calculation Date.

**"Reserve Account"** means the euro denominated account established in the name of the Issuer with the Account Bank with number 002212107382 (IBAN: IT44B0343201600002212107382), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**"Reserve Released Amount"** means, on any Calculation Date, the difference between the Reserve Amount standing to the credit of the Reserve Account and the Required Reserve Amount.

**"Reserve Initial Amount"** means (i) as of the Issue Date, Euro 12,450,000, (ii) as of the Increase Date, Euro 15,956,000 and (iii) as of the Restructuring Date, Euro 21,304,000.00.

**"Restructuring Date"** means 8 March 2021.

**"Retention Amount"** means an amount equal to Euro 50,000 provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

**"Revolving Period"** means the Original Revolving Period (as extended as of the Increase Date) and the Extended Revolving Period respectively before and after the Restructuring Date.

**"Rules of Organisation of the Noteholders"** or **"Rules"** means the rules of the organisation of the Noteholders attached as an Exhibit to the Senior Notes Conditions and the Junior Notes Conditions.

**"SDD Loans"** means any Loan granted to a Debtor who has decided to pay the relevant Instalments through a SDD (*Sepa Direct Debit*).

**"Second Master Amendment Agreement"** means the master amendment agreement executed on 14 May 2020 between, amongst others, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Second Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed on 14 May 2020 between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Securities Account"** means the bank account that may be opened by the Issuer after the Issue Date in accordance with, and pursuant to, clause 3.5 of the Cash Allocation Management and Payments Agreement.

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

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

**"Securitisation Law"** means the Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**"Securitisation Regulation"** means Regulation (EU) 2017/2402 of the European Parliament and the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended and supplemented from time to time.

**"Securitisation Repository"** means the website of European Data Warehouse (being, as at the date hereof, [www.eurodw.eu](http://www.eurodw.eu)) or any other securitisation repository registered pursuant to Article 10 of the Securitisation Regulation as notified to the investors in the Notes.

**"Security"** means the security created pursuant to the Deed of Pledge.

**"Security Interest"** means:

- (a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest

securing any obligation of any person;

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

**"Senior Noteholders"** means the holders from time to time of any of the Class A Notes.

**"Senior Notes"** means the Class A Notes.

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

**"Senior Notes Subscription Agreement"** means the subscription agreement executed on or about the Issue Date between the Issuer, the Initial Senior Noteholder and the Representative of the Noteholders, for the subscription of the Senior Notes.

**"Servicer"** means RCI Banque Italy or any successor or assignee thereto in accordance with the Servicing Agreement.

**"Servicer's Report"** means the report to be prepared and delivered by the Master Servicer, on each Servicer's Report Date, pursuant to the Servicing Agreement.

**"Servicer's Report Date"** means the date falling 7 Business Days after each Collection Date.

**"Servicing Agreement"** means the agreement entered into on the Effective Date between the Issuer, the Servicer and the Master Servicer, as amended and supplemented from time to time.

**"Servicing Fee"** means the fee due to the Servicer, as determined in accordance with clause 8.1 of the Servicing Agreement.

**"Servicer Termination Event"** means each of the events provided for under clause 9.1 of the Servicing Agreement, which causes the termination of the appointment of the Servicer, in accordance with the provisions set forth thereunder.

**"Significant Event Report"** means the report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement, setting out the information required by Article (7)(1) letters (f) and (g) of the Securitisation Regulation and the Regulatory Technical Standards (including, *inter alia*, any material change of the Priority of Payments and the occurrence of any Trigger Event) in accordance with Annex 14 of the Commission Delegated Regulation (EU) 2020/1224 and to be delivered to the Reporting Entity (i) without undue delay in case an inside information or significant event under Article (7)(1) letters (f) and (g) of the Securitisation Regulation has occurred; and (ii) on a quarterly basis (together with the Transparency Investor Report).

**"SME Debtor"** means a Debtor which meets the requirements provided for by the Cura Italia Decree to access the moratorium measures set forth therein.

**"South Italy Loans"** means any Loan granted to a Debtor which is resident in the South Italy Regions.

**"South Italy Loans Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to South Italy Loans as of the Collection Date relating to such Calculation Date and (ii) the Outstanding Principal of the Receivables relating to South Italy Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection

Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report

**"South Italy Regions"** means the regions of Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia.

**"Specific Criteria"** means the objective criteria for the identification of the Receivables of each Portfolio specified in annex 2 to the Master Receivables Transfer Agreement.

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

**"STS Notification"** means the notification made in accordance with Article 27 of the Securitisation Regulation.

**"STS Requirements"** means the requirements for simple, transparent and standardized non-ABCP securitisations provided for by Articles 19, 20, 21 and 22 of the Securitisation Regulation.

**"STS-securitisation"** means a securitisation intended to qualify as a simple, transparent and standardised securitisation within the meaning of the EU Securitisation Regulation.

**"Subordinated Loan"** means the subordinated loan, of up to the Commitment Amount, to be granted by the Loan Provider to the Issuer under the Subordinated Loan Agreement, in one or more Drawings.

**"Subordinated Loan Agreement"** means the subordinated loan agreement executed on 14 May 2020 between the Issuer and the Loan Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Subscription Agreements"** means, together, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**"Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed as of the Increase Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"TARGET Settlement Day"** means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (*TARGET*) System is opened

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

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"Tax"** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political subdivision thereof or any authority thereof or therein.

**"Tax Deduction"** means any deduction or withholding on account of Tax.

**"Third Master Amendment Agreement"** means the master amendment agreement executed on 24 February 2021 between, amongst others, the Representative of the Noteholders (on its own behalf and

as agent for the Noteholders), the Originator, the Servicer, the Master Servicer, the Calculation Agent, the Corporate Servicer, the Quotaholder Corporate Servicer and the Initial Noteholders, and including any agreement, deed or other document expressed to be supplemental thereto.

**"Third Supplemental Deed of Pledge"** means the Italian law supplemental deed of pledge executed on 4 March 2021 between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions herein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Top 20 Debtors"** means the first 20 Debtors with the higher Outstanding Principal of the Performing Receivables as of each Collection Date, taking into account for such calculation also the Additional Portfolio transferred as of the immediately preceding Offer Date.

**"Top 20 Obligors Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to the Top 20 Debtors as of the Collection Date immediately preceding such Calculation Date, taking into account for such calculation also the Additional Portfolio included in the immediately preceding Offer Date; and
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report

**"Top Debtor"** means the Debtor with the higher Outstanding Principal of the Performing Receivables as of each Collection Date, taking into account for such calculation also the Additional Portfolio transferred as of the immediately preceding Offer Date.

**"Top Obligor Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to the Top Debtor as of the Collection Date immediately preceding such Calculation Date, taking into account for such calculation also the Additional Portfolio included in the immediately preceding Offer Date; and
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Transaction Documents"** means, together, the Master Receivables Transfer Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Subscription Agreements, the Intercreditor Agreement, the Cash Allocation Management and Payments Agreement, the Deed of Pledge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Conditions, the Quotaholder Corporate Services Agreement, the Master Amendment Agreement, the Increase Additional Portfolio Transfer Agreement, the Increase Further Additional Portfolio Transfer Agreement, the Supplemental Deed of Pledge, the Second Master Amendment Agreement, the Third Master Amendment Agreement, the Fourth Master Amendment Agreement, the Subordinated Loan Agreement, the Second Supplemental Deed of Pledge, the Third Supplemental Deed of Pledge and any other document which may be entered into, from time to time in connection with the Securitisation.

**"Transfer Date"** means, (i) in respect of the Initial Portfolio, the Effective Date of the Master Receivables Transfer Agreement, and (ii) in respect of each Additional Portfolio, the later of (a) the date indicated as such in the relevant Offer, and (b) the date on which the Originator has received the relevant Acceptance from the Issuer, provided that in respect of the Increase Further Additional Portfolio the Transfer Date means 24 February 2021.

**"Transparency Investor Report"** means the report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement, setting out the information required by Article (7)(1) letter (e) of the Securitisation Regulation and the Regulatory Technical Standards in accordance with Annex 12 of the Commission Delegated Regulation (EU) 2020/1224 and to be delivered to the Reporting Entity on or about the Transparency Report Date.

**"Transparency Loan Report"** means the report to be prepared by the Servicer pursuant to clause 5.2 of the Servicing Agreement and the Intercreditor Agreement, and delivered to the Reporting Entity on a quarterly basis, setting out the information required by Article 7(1)(a) of the EU Securitisation Regulation and the Regulatory Technical Standards (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Loan, if available) in accordance with Annex 5 of the Commission Delegated Regulation (EU) 2020/1224.

**"Transparency Report Date"** means the date falling 30 (thirty) days after the Payment Date falling on March, June, September and December of each year on which the Reporting Entity shall make available the Transparency Investor Report and the Transparency Loan Report through the Securitisation Repository, provided that the first Transparency Report Date shall be 6 April 2021.

**"Trigger Event"** means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

**"Trigger Notice"** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

**"Used Car Loans"** means any Loan granted to a Debtor to purchase a Used Vehicle.

**"Used Car Loans Ratio"** means, on any Calculation Date, the ratio between:

- a. the aggregate of (i) the Outstanding Principal of the Performing Receivables relating to Used Car Loans as of the Collection Date relating to such Calculation Date and (ii) the Outstanding Principal of the Receivables relating to Used Car Loans (if any) to be transferred to the Issuer on the immediately following Transfer Date;
- b. the aggregate of (i) the Outstanding Principal of the Performing Receivables as of the Collection Date immediately preceding such Calculation Date, and (ii) the Principal Collections as set out in the latest Servicer's Report.

**"Used Vehicle"** means a car which, on its date of purchase, had at least one previous owner prior to be sold to the relevant Debtor.

**"Usury Law"** means the Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and the Italian Law No. 24 of 28 February 2001, which converted into law the Italian Law Decree No. 394 of 29 December 2000, as amended and supplemented from time to time.

**"Valuation Date"** means 10 July 2015 for the Initial Portfolio and, for each Additional Portfolio, the Collection Date immediately preceding the relevant Offer Date, provided that for the Increase Additional Portfolio the Valuation Date was 10 April 2018 and further provided that for the Increase Further Additional Portfolio the Valuation Date is 10 February 2021.

**"Variable Return"** means the amount which may be payable on the Class J Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority thereto pursuant to the applicable Priorities of Payments on such Payment Date.

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

**"Vehicle"** means a car, used or new, to be purchased by a Debtor by using the funds granted to it through the relevant Loan.

**"Voluntary Moratorium"** means the deferral of payment of the Instalments related to a Loan falling due up to the Voluntary Moratorium Expiry Date pursuant to the relevant Loan's amortisation plan, having the main terms and conditions set forth in Schedule 3 (*Terms and conditions of the Voluntary Moratorium*) to the Second Master Amendment Agreement, granted by RCI Banque Italy as Servicer pursuant to the Servicing Agreement upon request of the relevant Debtor to which the Legal Moratorium does not apply and in accordance with the internal procedures implemented by RCI Banque Italy.

**"Voluntary Moratorium Expiry Date"** means the Legal Moratorium Expiry Date or the later date which may be notified in writing by RCI Banque Italy to the Issuer, the Calculation Agent and the Rating Agencies.

**"Warranty and Indemnity Agreement"** means the warranty and indemnity agreement entered into on the Effective Date between the Issuer and the Originator, as amended and supplemented from time to time.

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