

PROSPECTUS DATED 26 JUNE 2024

## AUTO ABS ITALIAN STELLA LOANS S.R.L.

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

### Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due December 2036

Issue Price: 100 per cent.

### Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036

Issue Price: 100 per cent.

### Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036

Issue Price: 100 per cent.

### Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036

Issue Price: 100 per cent.

### Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036

Issue Price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by Auto ABS Italian Stella Loans S.r.l. (the **Issuer**), a limited liability company incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, of the following asset backed securities: (i) Euro 1,062,000,000 Series 2024-1 Class A Asset-Backed Floating Rate Notes due December 2036 (the **Class A Notes** or the **Senior Notes**); (ii) Euro 78,000,000 Series 2024-1 Class B Asset-Backed Floating Rate Notes due December 2036 (the **Class B Notes**); (iii) Euro 34,800,000 Series 2024-1 Class C Asset-Backed Floating Rate Notes due December 2036 (the **Class C Notes**); (iv) Euro 25,200,000 Series 2024-1 Class D Asset-Backed Floating Rate Notes due December 2036 (the **Class D Notes**); and (v) Euro 13,200,000 Series 2024-1 Class E Asset-Backed Floating Rate Notes due December 2036 (the **Class E Notes** and, together with the Class B Notes, the Class C Notes and the Class D Notes, the **Mezzanine Notes** and, together with the Senior Notes, the **Rated Notes**). In connection with the issuance of the Senior Notes and the Mezzanine Notes, the Issuer will also issue Euro 2,300,000 Series 2024-1 Class Z Asset-Backed Variable Return Notes due December 2036 (the **Class Z Notes** or the **Junior Notes** and, together with the Senior Notes and the Mezzanine Notes, the **Notes**).

The Class Z Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class Z Notes on any stock exchange.

The Notes will be issued on 27 June 2024 (the **Issue Date**).

Application has been made to the *Commission de surveillance du secteur financier (CSSF)*, in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as subsequently amended and supplemented from time to time, the **Prospectus Regulation**) and relevant implementing measures in Luxembourg and Article 6(4) of the Luxembourg Act. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes and the Mezzanine Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. **The 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. By approving this Prospectus, CSSF shall give no undertaking as to the economic and financial opportuneness of the operation or the quality or solvency of the Issuer in accordance with the provisions of Article 6(4) of the Luxembourg Act. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF has not reviewed nor approved any information regarding the Class Z Notes.**

This Prospectus is issued pursuant to Article 2, paragraph 3, of the Securitisation Law and Article 6, paragraph 3 of the Prospectus Regulation in connection with the issuance of the Notes. This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, <https://www.luxse.com/issuer/AutoABSStella/112914>).

**This Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation.**

**Pursuant to Articles 12(1) and 21(8) of the Prospectus Regulation, this Prospectus will remain valid for 12 (twelve) months, from the date on which it obtained the CSSF's Approval (such date being the 26 June 2024) until the 26 June 2025. Consequently, the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply once this Prospectus is no longer valid.**

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

**Information available at any website referred to throughout this Prospectus does not form part of this Prospectus and has been neither scrutinized nor approved by the CSSF, unless it is clearly stated that any such information is incorporated by reference.**

The Notes will have the following key characteristics:

Class	Nominal Amount	Interest rate per annum	Issue Price (per cent.)	Ratings	Final Maturity Date
A	Euro 1,062,000,000	EURIBOR (as determined in accordance with the Conditions) + 73 bps	100	DBRS: AAA(sf) Fitch: AA(sf)	December 2036
B	Euro 78,000,000	EURIBOR (as determined in accordance with the Conditions) + 120 bps	100	DBRS: AA(sf) Fitch: AA(sf)	December 2036
C	Euro 34,800,000	EURIBOR (as determined	100	DBRS: A(high)(sf)	December 2036

Class	Nominal Amount	Interest rate per annum	Issue Price (per cent.)	Ratings	Final Maturity Date
		in accordance with the Conditions) + 170 bps		Fitch: A(sf)	
D	Euro 25,200,000	EURIBOR (as determined in accordance with the Conditions) + 230 bps	100	DBRS: A(sf) Fitch: BBB+(sf)	December 2036
E	Euro 13,200,000	EURIBOR (as determined in accordance with the Conditions) + 450 bps	100	DBRS: BBB(high) (sf) Fitch: BB+(sf)	December 2036
Z	Euro 2,300,000	No interest, just Variable Return	100	Unrated	December 2036

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Notes will be issued in bearer form (*al portatore*) and held in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. The expression **Euronext Securities Milan Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Euronext Securities Milan and includes Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (**Clearstream**) and Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels, as operator of the Euroclear System (**Euroclear**). Euronext Securities Milan shall act as depository for Clearstream and Euroclear. 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 provisions of Article 83-*bis* of the Italian Financial Act and Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

The Notes of each Class will be redeemed in the manner specified in Condition 6 (*Redemption, Purchase and Cancellation*). Particularly, the Notes will be subject to mandatory redemption in full (or in part *pro rata* within each Class) on each Payment Date during the Amortisation Period, in accordance with Condition 6.2 (*Redemption, Purchase and Cancellation – Mandatory redemption in whole or in part*), in each case, if and to the extent that on the relevant Payment Date there will be sufficient Available Distribution Amounts which can be applied for such purpose, in accordance with the applicable Priority of Payments. Unless previously redeemed in accordance with the Conditions, the Notes will be redeemed at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon, on the Payment Date falling in December 2036 (the **Final Maturity Date**).

Interest on the Senior Notes and the Mezzanine Notes will accrue on a daily basis from the Issue Date, as provided in Condition 6 (*Redemption, Purchase and Cancellation*). Interest on the Senior Notes and the Mezzanine Notes will be payable in Euro monthly in arrear by reference to successive interest periods on each Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Payment Date shall be the Payment Date falling in August 2024 (the **First Payment Date**). The interest rate applicable from time to time to each of the Senior Notes and the Mezzanine Notes (the **Interest Rate**) for each Interest Period shall be: (a) in respect of the Class A Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 0.73 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class A Notes Interest Rate**); (b) in respect of the Class B Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 1.20 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class B Notes Interest Rate**); (c) in respect of the Class C Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 1.70 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class C Notes Interest Rate**); (d) in respect of the Class D Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 2.30 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class D Notes Interest Rate**); and (e) in respect of the Class E Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 4.50 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class E Notes Interest Rate**). In addition, the Variable Return (if any) may be payable on the Class Z Notes on each Payment Date in accordance with the Conditions.

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

The principal source of payment of interest or Variable Return (as applicable) and repayment of principal on the Notes will be from Collections and Recoveries made in respect of the Receivables arising from Auto Loan Contracts (*contratti di finanziamento per l'acquisto di autoveicoli*), originated and classified as performing by Stellantis Financial Services Italia S.p.A. (**SFS Italia**), as at the relevant Selection Date and Purchase Date. The Receivables have been and will be purchased by the Issuer without recourse (*pro soluto*) in accordance with the terms of the Master Receivables Transfer Agreement. The Initial Portfolio has been assigned without recourse (*pro soluto*) by the Seller to the Issuer on the First Purchase Date, pursuant to the combined provisions of Articles 1 and 4 of the Securitisation Law and the Articles of Italian Factoring Law referred to therein. In addition, pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, during the Revolving Period the Seller may assign without recourse (*pro soluto*) to the Issuer, which may purchase, pursuant to the combined provisions of Articles 1 and 4 of the Securitisation Law and the articles of Italian Factoring Law referred to therein, Additional Portfolios, provided that the Contracts Eligibility Criteria, the Receivables Eligibility Criteria and the Global Portfolio Limits are met and no Amortisation Event has occurred. The payment of the Purchase Price of the Initial Portfolio will be financed by the Issuer through the net proceeds of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with and subject to the provisions of the Master Receivables Transfer Agreement and the Senior Notes and Mezzanine Notes Subscription Agreement. Subject to the provisions of the Master Receivables Transfer Agreement and the Conditions, including without limitation the satisfaction of the conditions precedent applicable to each Subsequent Purchase Date, the payment of the Purchase Price of each Additional Portfolio will be financed by the Issuer through the Available Distribution Amounts available for such purpose, in accordance with the applicable Priority of Payments.

The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

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 Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor. Upon enforcement, recourse under the Notes will be limited to the proceeds of the Aggregate Portfolio. Amounts deriving from the Aggregate Portfolio and the Transaction Documents will be applied by the Issuer in accordance with the applicable Priority of Payments.

The Class A Notes are expected to be rated on issue "AAA(sf)" by DBRS Ratings GmbH (**DBRS**) and "AA(sf)" by Fitch Ratings Ireland Limited (*Sede secondaria Italiana*) (**Fitch**, and together with DBRS, the **Rating Agencies**).

The Class B Notes are expected to be rated on issue "AA(sf)" by DBRS and "AA(sf)" by Fitch.

The Class C Notes are expected to be rated on issue "A(high)(sf)" by DBRS and "A(sf)" by Fitch.

The Class D Notes are expected to be rated on issue "A(sf)" by DBRS and "BBB+(sf)" by Fitch.

The Class E Notes are expected to be rated on issue "BBB(high)(sf)" by DBRS and "BB+(sf)" by Fitch.

It is not expected that the Class Z Notes will be assigned a credit rating.

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation.** In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation, unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under EU CRA Regulation, as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**), unless such rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or such rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

As at the date of this Prospectus, each of the Rating Agencies is established in the European Union, has more than 10 per cent. of the total market share pursuant to and for the purposes of Article 8d (1) of the EU CRA Regulation and is registered under the EU CRA Regulation, as evidenced in the latest update of the list published by the ESMA on its website (being, as at the date of this Prospectus, [www.esma.europa.eu](http://www.esma.europa.eu)). As at the date of this Prospectus, each of the Rating Agencies is not established in the UK but the ratings assigned by each of Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*) and DBRS Ratings GmbH are endorsed by Fitch Ratings Limited and DBRS Ratings Limited respectively, each of which is registered under the UK CRA Regulation, as evidenced in the latest update of the list published by FCA on its website (being, as at the date of this Prospectus, <https://register.fca.org.uk/s/>).

The Class A Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

The Securitisation is intended to qualify as a simple, transparent and standardised securitisation (**STS-Securitisation**) within the meaning of Article 18 of the EU Securitisation Regulation. To this extent, the Securitisation has been structured so as to meet the requirements of Articles 19 to 22 (*Requirements for simple, transparent and standardised non-ABCP securitisation*) of the EU Securitisation Regulation (the **Non-ABCP EU STS Requirements**). In addition, as at the date of this Prospectus, the Securitisation meets also the requirements of Article 24 (*Requirements for simple, transparent and standardised ABCP securitisation - Transaction-level requirements*) of the EU Securitisation Regulation (the **ABCP EU STS Requirements**) and, together with the Non-ABCP EU STS Requirements, the **EU STS Requirements**). On or about the Issue Date, the Seller will notify ESMA that the Securitisation meets the Non-ABCP EU STS Requirements pursuant to Article 27(1) of the EU Securitisation Regulation (the **STS Notification**), so as to allow such Securitisation to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. No notification has been and will be made by the Seller to ESMA in respect of the compliance of the Securitisation with the ABCP EU STS Requirements. Pursuant to Article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Seller of how each of the Non-ABCP EU STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre)) (the **ESMA STS Register**). The Notes can also qualify as STS under Regulation (EU) 2017/2402 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK Securitisation Regulation**) until maturity, *provided that* the Notes remain on the ESMA STS Register and continue to meet the EU STS Requirements. The Seller has used the service of Prime Collateralised Securities (PCS) EU SAS (**PCS**), as verification agent authorised under Article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Securitisation with the EU STS Requirements (the **CRR Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 of the CRR (the **CRR Assessment**) and, together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS, will be available on the PCS website (being, as at the date of this Prospectus, <https://pcsmarket.org/transactions/>), together with a detailed explanation of its scope at <https://pcsmarket.org/disclaimer/>. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus.

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

**Compliance with the EU STS Requirements is not a recommendation to buy, sell or hold securities. It is neither an investment advice nor a credit rating.**

None of the Issuer, the Seller, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agent, the RSF Reserve Advance Provider, the Corporate Servicer, the Interest Rate Swap Provider, the Joint Lead Managers, the Arrangers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-Securitisation under the EU Securitisation Regulation and/or the UK Securitisation Regulation as at the date of this Prospectus nor at any point in time in the future.

SFS Italia, in its capacity as originator pursuant to the EU Securitisation Regulation, 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 (c) of Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures); (ii) not change the manner in which the material net economic interest is held, unless expressly permitted by Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and by Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures); (iii) procure that any change to the manner in which such material net economic interest is held in accordance with paragraph (ii) above will be notified to the Calculation Agent to be disclosed in the Sec Reg Investor Report; and (iv) comply with the disclosure obligations imposed on originators under Article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law. In addition, SFS Italia 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 EU Securitisation Regulation and the applicable Regulatory Technical Standards and Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures). Such material net economic interest has been determined as at the Issue Date also in accordance with Article 6 of the UK Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the UK Securitisation Regulation). However, prospective investors that are UK Affected Investors should be aware that, whilst at the Issue Date the requirements under Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation are very similar, the requirements under the EU Securitisation Regulation and the UK Securitisation Regulation may diverge in the future. For further details see the section headed "*Subscription, Sale and Selling Restrictions*".

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

The Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction and the securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

Pursuant to the Intercreditor Agreement the Seller has been designated as Reporting Entity in accordance with and for the purposes of Article 7(2) of the EU Securitisation Regulation. After the Issue Date, the Calculation Agent will prepare the Sec Reg Investor Report wherein relevant information with regard to the Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller for the purposes of which the Seller will provide the Issuer and the Calculation Agent with all information reasonably required with a view to complying with Article 7 of the EU Securitisation Regulation. For more details on the information to be disclosed by the Reporting Entity please see the section of this Prospectus entitled "*Risk retention and Transparency Requirements*".

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

#### Arrangers

**BANCO SANTANDER, S.A.**

**BOFA SECURITIES**

#### Joint Lead Managers

**BANCO SANTANDER, S.A.**

**BOFA SECURITIES**

**SOCIÉTÉ GÉNÉRALE**

The date of this Prospectus is 26 June 2024

### **Responsibility for Information**

*None of the Issuer, the Representative of the Noteholders, the Arrangers, the Joint Lead Managers or any other Transaction Party other than SFS Italia has undertaken or will undertake any investigation, search or other action to verify the details of the Receivables, or to establish the creditworthiness of any Obligor.*

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in respect of which each of SFS Italia (in its capacity as Seller, Servicer, Cash Manager and Junior Notes Subscriber), BNP Paribas (in its capacity as Account Bank and Paying Agent), Zenith (in its capacity as Corporate Servicer, Calculation Agent and Representative of the Noteholders) and Banco Santander (in its capacity as Interest Rate Swap Provider) accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Senior Notes and the Mezzanine Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.*

*SFS Italia has provided the information included in this Prospectus in the sections headed "The Aggregate Portfolio", "The Seller, the Servicer, the Cash Manager and the Junior Notes Subscriber", "Underwriting and Servicing Procedures", "Description of the Transaction Documents – Master Receivables Transfer Agreement", "Description of the Transaction Documents – Servicing Agreement", the data used as assumptions to make the calculations contained in the section headed "Estimated Maturity and Estimated Weighted Average Life of the Senior Notes and the Mezzanine Notes" and any other information contained in this Prospectus relating to itself, its business and assets, the collection procedures applicable to the Aggregate Portfolio, the Receivables, the Auto Loans, the Ancillary Rights and the Insurance Policies and, jointly with the Issuer, accepts responsibility for the information contained in such sections. To the best of the knowledge and belief of SFS Italia (which has taken all reasonable care to ensure that such is the case), the information and data, in relation to which it is responsible as described above, has been accurately reproduced from information published by SFS Italia, are in accordance with the facts and do not omit anything likely to affect the import of such information.*

*BNP Paribas has provided the information included in this Prospectus in the section headed "The Account Bank and the Paying Agent" and accepts, jointly with the Issuer, responsibility for the information included in such section. To the best of the knowledge and belief of BNP Paribas (which has taken all reasonable care to ensure that such is the case), such information, which has been accurately reproduced from information published by BNP Paribas is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Zenith has provided the information included in this Prospectus in the section headed "The Corporate Servicer, the Calculation Agent and the Representative of the Noteholders" and accepts, jointly with the Issuer, responsibility for the information included in such section. To the best of the knowledge and belief of Zenith (which has taken all reasonable care to ensure that such is the case), such information, which has been accurately reproduced from information published by Zenith is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Banco Santander has provided the information included in this Prospectus in the section headed "The Interest Rate Swap Provider" and accepts, jointly with the Issuer, responsibility for the information included in such section. To the best of the knowledge and belief of Banco Santander (which has taken all reasonable care to ensure that such is the case), such information, which has been accurately reproduced from information published by Banco Santander is in accordance with the facts and does not omit anything likely to affect the import of such information.*

## **Representations about the Notes**

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Representative of the Noteholders, SFS Italia (in any capacity), Zenith , BNP Paribas, Banco Santander or any other person. Neither the delivery of this Prospectus nor any sale, delivery or allotment made in connection with the offering of any of the Senior Notes and the Mezzanine Notes shall, in any circumstances, constitute a representation or create an implication 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, SFS Italia, Zenith , BNP Paribas, Banco Santander or in any of the other information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof. No person other than the Issuer (or in the case of SFS Italia, Zenith , BNP Paribas or Banco Santander, solely to the extent described above) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.

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.

## **Limited recourse**

The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, SFS Italia (in any capacity), the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agent, the Cash Manager, the RSF Reserve Advance Provider, the Corporate Servicer, the Quotaholder, the Back-Up Servicer Facilitator, the Arrangers, the Joint Lead Managers or any other party. 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.

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 Aggregate Portfolio and the other Securitisation Assets are segregated (costituiscono patrimonio separato) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor.

By holding the Notes, the Noteholders will agree that the Available Distribution Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

## **Interest material to the offer**

Save as described under the sections headed "Subscription, Sale and Selling Restrictions" 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.

## **Other business relations**

In addition to the interests described in this Prospectus, including in section "Potential conflicts of interest of the Joint Lead Managers" below, prospective noteholders should be aware that the Arrangers, the Joint Lead Managers and their related entities, associates, officers or employees (each a **Relevant Entity**) may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any party to the Transaction Documents, both on their own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or any other party to the Transaction Documents may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted

by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.

### **Potential conflicts of interest of the Joint Lead Managers**

Banco Santander, being affiliated with the Seller, is acting as a Joint Lead Manager and Arranger in connection with this Securitisation. Banco Santander will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care, other than as expressly provided therein. Banco Santander, as Joint Lead Manager and Arranger in connection with this Securitisation, may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with this Securitisation.

BofA Securities and Société Générale are acting as Joint Lead Managers in connection with this Securitisation.

The Joint Lead Managers and/or their affiliates may play various roles in relation to the Notes and they may also become beneficial owners of any Note.

To the maximum extent permitted by applicable law, the duties of the Joint Lead Managers and/or their affiliates in respect of the Notes are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person.

None of the Joint Lead Managers or their affiliates will, by virtue of its or any of its affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care, other than as expressly provided in the Transaction Documents to which it is a party.

None of the Joint Lead Managers or their affiliates shall have any obligation to any party to the Securitisation or any Noteholder for any profit as a result of any other business that it may conduct with any other party to the Securitisation.

The Joint Lead Managers may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Joint Lead Managers expect to earn fees and other revenues from these transactions. If any of the Joint Lead Managers and/or their affiliates becomes a beneficial owner of any Note, it will exercise the rights associated with such Note in its own discretion, which may or may not be in accordance with the best interest of other holders of the Notes.

Each Joint Lead Manager in the course of its business may act independently of any other Joint Lead Manager.

### **Selling Restrictions**

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

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Aggregate Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

To the fullest extent permitted by law, neither the Arrangers nor the Joint Lead Managers accept any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arrangers or the Joint Lead Managers or on their behalf, in connection with the Issuer or SFS Italia or the issue and offering of the Notes.

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

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

#### **MiFID II product governance / target market**

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

#### **UK MiFIR product governance / target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (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 (the **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 Commission Delegated Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**EUWA**); or (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. 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.

### **IMPORTANT NOTICE – UK AFFECTED INVESTORS**

From 1 January 2021, relevant UK-established or UK-regulated persons are subject to the EU Prospectus Regulation as it forms part of the domestic law of the UK as "retained EU law" by virtue of the European Union (Withdrawal) Act 2018, as amended (the **EUWA**), and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (the **Securitisation EU Exit Regulations**, and as may be further amended, the **UK Securitisation Regulation**). Article 5 of the UK Securitisation Regulation places certain conditions on investments in a "securitisation" (as defined in the UK Securitisation Regulation) (the **UK Due Diligence Requirements**) by an "institutional investor" (as defined in the UK Securitisation Regulation). The UK Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of such institutional investors which are CRR firms (as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013, as it forms part of the domestic law of the UK by virtue of the EUWA) (such affiliates, together with all such institutional investors, **UK Affected Investors**). The application of the UK Securitisation Regulation is also subject to the temporary transitional relief being available in certain areas. The UK Securitisation Regulation regime is currently subject to a review, which is likely to result in further changes being introduced in the UK in due course. Therefore, some divergence between EU and UK regimes exists already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out. For further details, see the paragraph headed "EU Securitisation Regulation and the UK Securitisation Regulation, as applicable, have introduced new requirements which should be assessed independently by the investors" in the "Risk Factors" section.

Neither the Seller nor any other party to the transaction described in this Prospectus makes or intends to make any representation or agreement that it or any other party is undertaking or will undertake to take or refrain from taking any action to facilitate or enable the compliance by UK Affected Investors with the UK Due Diligence Requirements, or to comply with the requirements of any other law or regulation now or hereafter in effect in the UK in relation to due diligence and monitoring, credit granting standards or any other conditions with respect to investments in securitisation transactions by UK Affected Investors (save that the Seller will comply with article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures)).

Failure by a UK Affected Investor to comply with the UK Due Diligence Requirements with respect to an investment in the Notes offered by this Prospectus may result in regulatory sanctions being imposed by the competent authority of such UK Affected Investor (including the imposition of a higher regulatory capital charges on that investment).

Prospective UK Affected Investors are themselves responsible for analysing their own regulatory position, and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the application of the UK Securitisation Regulation or other applicable regulations and the suitability of the Notes for investment.

None of the Arrangers or the Joint Lead Managers is responsible for any obligation of the Seller or the Issuer for compliance with the requirements (including existing or ongoing reporting requirements) of the EU Securitisation Regulation or any corresponding national measures which may be relevant or the UK

Securitisation Regulation.

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

Interest amounts payable in respect of the Senior Notes and the Mezzanine Notes will be calculated by reference to EURIBOR as specified in the Conditions. As at the date of this Prospectus, EURIBOR is provided and administered by the European Money Markets Institute (**EMMI**). As at the date of this Prospectus, EMMI is authorised as benchmarks administrator and is included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**). The EU Benchmarks Regulation could have a material impact on the Senior Notes and the Mezzanine Notes, in particular, if the methodology or other terms of the "benchmarks" are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmarks. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms in making any investment decision with respect to the Senior Notes and the Mezzanine Notes.

### **Historical Information**

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

### **Forward-looking statements**

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

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

### **Definitions and interpretation**

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section headed "Glossary of Terms". These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

Certain monetary amounts and currency translations 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 **Euro, euro, EUR** or **€** are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

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## RISK FACTORS

***Investing in the Notes involves certain risks. Moreover, the Notes are complex instruments which involve a high degree of risk and are suitable for purchase only by sophisticated investors which are capable of understanding the risk involved. In particular the Notes should not be purchased by or sold to individuals and other non-expert investors. As such, investors should make their own assessment as to the suitability of investing in the securities.***

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

***The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other unknown reasons at the date of this Prospectus. While the various structural elements described in this Prospectus are intended to lessen some of these risks for the holders of the Senior Notes and Mezzanine Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Senior Notes and Mezzanine Notes of interest and repayment of principal on such Senior Notes and Mezzanine 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.***

***The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. 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.***

### **CATEGORY OF RISK FACTORS 1: RISK FACTORS RELATED TO THE ISSUER'S FINANCIAL AND REGULATORY SITUATION**

#### **Issuer's ability to meet its obligations under the Notes, reliance on third parties and liquidity and credit risks**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the timely payment of amounts due under the Receivables by the Obligors and on the due performance of the other parties to the Transaction Documents of their respective obligations. The inability of any such third parties to provide their services to the Issuer may ultimately affect the Issuer's ability to make payments on the Notes. In particular, the Issuer is subject to the risk of, amongst other things (a) delay arising between the receipt of payments due from the Obligors and the scheduled payment dates, (b) default in payment by the Obligors and (c) the failure by the Servicer to collect or recover sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes in full as they fall due.

The payment by the Issuer of amounts due on the Notes depends on the receipt by the Issuer of the Available Collections and Recoveries from the Servicer in respect of the Aggregate Portfolio and any other amounts to be received by the Issuer pursuant to the terms of the other Transaction Documents. As such, if any Obligor defaults under or in respect of the relevant Auto Loan Contract(s) and, after the exercise by the Servicer of available remedies in respect of such Auto Loan Contract(s), the Issuer does not receive the full amount due from those Obligors, then the Noteholders may receive by way of principal repayment an amount lower than the face value of the Notes, and the Issuer may be unable to pay in full the interest due on the Notes.

Moreover, the Issuer relies upon the due performance of the Seller of its obligations under the Master Receivables Transfer Agreement and the ability of the Servicer to service the Aggregate Portfolio in accordance with its obligations under the Servicing Agreement. If a Servicer Termination Event occurs, the Issuer will have to appoint a Successor Servicer (see section headed "*DESCRIPTION OF THE*

*TRANSACTION DOCUMENTS – Servicing Agreement*"). There can be no assurance that a Successor Servicer (a) will be found, or (b) will be willing to accept to be appointed as Servicer at the conditions of the Servicing Agreement, or (c) will be able to assume and perform the obligations of the Servicer.

In addition to the above, with a view to mitigating the impact on the Securitisation's cashflows in case of replacement of the Servicer, pursuant to the Intercreditor Agreement SCF has agreed to fund the RSF Reserve upon the occurrence of a RSF Reserve Funding Trigger Event. The RSF Reserve will be aimed at financing the payment by the Issuer of the Replacement Servicing Costs due in connection with the appointment of any Successor Servicer, hence avoiding the application of the Available Distribution Amounts for such purpose. For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

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

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

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

#### **Enforcement of certain Issuer's rights may be prevented by the statute of limitations**

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

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

#### **Receivables of unsecured creditors of the Issuer**

Pursuant to Article 3 of the Securitisation Law and the Transaction Documents, the Issuer's rights, title and interest in and to the Aggregate 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 are segregated under the Securitisation Law from all other assets of the Issuer and will only be available to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditors in the order of priority set out in the Conditions, subject to the terms of the Intercreditor Agreement.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other Further Securitisation because (i) the corporate object of the Issuer as contained in its by-laws (*statuto*) is limited and (ii) under the Conditions, the Issuer has undertaken to the Noteholders, *inter alia*, not to engage in any activity which is not incidental to or necessary in connection with the Securitisation, any activities which the Transaction Documents provide for or envisage that the Issuer may engage in or which is necessary in connection with or incidental to the Transaction Documents, or any Further Securitisation. Accordingly, the Issuer is less likely to have creditors who would claim against it other than the ones related to the Securitisation or the Further

Securitisations (carried out pursuant to Condition 3 (*Covenants - Further Securitisations*)), if any, the Noteholders and the Other Issuer Secured Creditors (all of whom have agreed to non-petition provisions contained in the Transaction Documents) and the other third parties creditors in respect of any fees, costs, and expenses incurred in relation to any such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to Connected Third Party Creditors (which rank ahead of all other items in each of the Priority of Payments) which means that the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

Moreover, the Conditions contain provisions stating, and each of the Other Issuer Secured Creditors has undertaken in the Intercreditor Agreement, that no Noteholder or Other Issuer Secured Creditor will petition or begin proceedings for a declaration of insolvency against the Issuer.

However, there can be no assurance that each and every Noteholder and Other Issuer Secured Creditor will honour its contractual obligation not to petition or begin proceedings for a declaration of insolvency against the Issuer. Moreover, under Italian law, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the declaration of insolvency of the Issuer.

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

### **Commingling risk**

The Issuer is subject to the risk that certain Collections may be lost or frozen in case of insolvency of the Account Bank or the Servicer.

Indeed, although Article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the Issuer or the Servicer with an Italian account bank (whether before or during the relevant insolvency proceeding of such account bank) will not be subject to suspension of payments or will not be deemed to form part of the estate of the relevant account bank/servicer and shall be immediately and fully repaid to the Issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof.

Prospective Noteholders should note that for the purpose of mitigating such commingling risk, certain actions have been taken, namely (i) pursuant to the Cash Allocation, Management and Payments Agreement, it is required that the Account Bank shall at all times be an Eligible Institution: (ii) the undertaking of the Servicer to credit any amount paid by any Obligor in respect of the Aggregate Portfolio to the Servicer Collection Account opened with the Servicer Collection Account Bank (iii) the undertaking of the Servicer to transfer such amounts from the Servicer Collection Account into the Collection Account opened in the name of the Issuer with the Account Bank within two Business Days from the date of receipt of such amount by the Servicer (and, in case the relevant payments by the Obligors are made through postal bulletin (*bollettino postale*), the correspondent undertaking of the Servicer to transfer into a bank account in the name of the Servicer any amount paid by any Obligor into the Servicer's postal account no later than the second Business Day following the date of receipt) and (ii) following, *inter alia*, the occurrence of a Notification Event, the Issuer's right to notify each Obligor the transfer of the relevant Receivable to the Issuer and instruct each Obligor to make any payment in respect of the relevant Receivable directly to the Collection Account.

In addition, Prospective Noteholders should also consider that given that the Account Bank is an Italian branch

of a foreign institution, there might be the possibility that an insolvency receiver of the Account Bank disregards the segregation provisions provided under Article 3, paragraph 2-*ter* of the Securitisation Law.

### **Credit Risk on the Seller and the other parties to the Transaction Documents**

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Seller and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are 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 Aggregate Portfolio and to recover the amounts relating to Defaulted Receivables (if any), as well as the continued availability of hedging under the Interest Rate Swap Agreement. Prospective Noteholders should note that the Interest Rate Swap Agreement may be terminated by the Interest Rate Swap Provider if, *inter alia*, a Trigger Notice is served. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Seller of its obligations under the Master Receivables Transfer Agreement in respect of the Aggregate Portfolio. The performance by the parties to the Transaction Documents of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

It is not certain that a Successor Servicer could be found to service the Aggregate Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. Any delay or inability to appoint a Back-up Servicer or a Successor Servicer may affect payments on the Notes. On the other hand, if such a Successor Servicer is found it is not certain whether such Successor Servicer would service the Aggregate Portfolio on the same terms as those provided for in the Servicing Agreement. The ability of the Back-up Servicer (if appointed) or any Successor Servicer to fully perform the required services will depend, *inter alia*, on the information, software and record available to it at the time of its appointment. The Back-up Servicer will, *inter alia*, (i) need to satisfy the requirements of a successor servicer provided for by the Servicing Agreement; (ii) undertake to enter into an agreement substantially in the form of the Servicing Agreement; and (iii) assume all the duties and obligations applicable to it as provided for by the Transaction Documents.

Moreover, under the Intercreditor Agreement, SCF has undertaken to act as Back-up Servicer Facilitator with the task of selecting the Back-up Servicer on behalf of the Issuer.

In addition to the above, with a view to mitigating the impact on the Securitisation's cashflows in case of replacement of the Servicer, pursuant to the Intercreditor Agreement SCF has agreed to fund the RSF Reserve upon the occurrence of a RSF Reserve Funding Trigger Event. The RSF Reserve will be aimed at financing the payment by the Issuer of the Replacement Servicing Costs due in connection with the appointment of any Successor Servicer, hence avoiding the application of the Available Distribution Amounts for such purpose. For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

### **Interest Rate Risk**

The Receivables comprised in the Aggregate Portfolio include and will include interest payments calculated at interest rates and times which are different from the interest rates and times applicable to the interest due in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The Issuer expects to meet its floating rate payment obligations under the Senior Notes and the Mezzanine Notes primarily from the payments relating to the Collections and the Recoveries. However, the interest component in respect of such payments may have no correlation to the EURIBOR rate from time to time applicable in respect of the Senior Notes and the Mezzanine Notes.

To protect the Issuer from a situation where EURIBOR increases to such an extent that the Collections and the Recoveries are not sufficient to cover the Issuer's obligations under the Senior Notes and the Mezzanine Notes (other than the Class E Notes), the Issuer has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider, which shall at all times be (or its credit support provider shall at all times be) an

institution rated in accordance with the provisions of the Interest Rate Swap Agreement, to hedge the Senior Notes and the Mezzanine Notes (other than the Class E Notes) against certain risks arising as a result of the interest rate mismatch between the fixed rate of interest received by the Issuer in respect of the Receivables and the floating rate of interest payable by the Issuer under the Senior Notes and the Mezzanine Notes (other than the Class E Notes).

Accordingly, the Issuer may in certain circumstances depend upon payments made by the Interest Rate Swap Provider in order to have sufficient Available Distribution Amounts to make payments of interest on the Senior Notes and the Mezzanine Notes (other than the Class E Notes). If the Interest Rate Swap Provider fails to pay any amounts when due under the Interest Rate Swap Agreement, the Available Distribution Amounts may be insufficient to make the interest payments on the Senior Notes and the Mezzanine Notes (other than the Class E Notes) then the Noteholders may experience delays and/or reductions in the interest payments due by them.

In the event of early termination of the Interest Rate Swap Agreement, including any termination upon failure by the Interest Rate Swap Provider to perform its obligations, the Issuer will use its commercially reasonable efforts (but it will not guarantee) to find a replacement Interest Rate Swap Provider. However, in such case, there is no assurance that the Issuer will be able to meet its payment obligations under the Senior Notes and the Mezzanine Notes (other than the Class E Notes) in full or even in part.

Prospective Noteholders should also note that, if the Interest Rate Swap Agreement is early terminated, then the Issuer may be obliged to pay the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement to the Interest Rate Swap Provider. Except in certain circumstances, such amount due to the Interest Rate Swap Provider by the Issuer will rank in priority to payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. Any additional amounts required to be paid by the Issuer as a result of the termination of the Interest Rate Swap Agreement (including any extra costs incurred if the Issuer cannot immediately enter into one or more, as appropriate, replacement interest rate swap agreements), may also rank in priority to payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. Therefore, if the Issuer is obliged to pay the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement to the Interest Rate Swap Provider or to pay any other additional amount as a result of the termination of the Interest Rate Swap Agreement, this may affect the funds which the Issuer has available to make payments on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. The interest rate risk on the Class E Notes is not hedged. This does not affect the Issuer capabilities to face its liabilities on such Class E Notes, based on its subordinate position and the limited size of such Class E Notes. For further details, see the paragraph "*Description of the Interest Rate Swap Agreement*".

**Changes or uncertainty in respect of Euribor may affect the value or payment of interest under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes**

Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. The EU Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation could have a material impact on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the



volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Investors should be aware that the euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referring EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (which are linked to EURIBOR).

While (i) an amendment may be made under Condition 5.3 (*Right to interest - Fallback provisions*) to change the base rate on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes from EURIBOR to an Alternative Base Rate under certain circumstances broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions being satisfied, (ii) the Issuer (or the Servicer on its behalf) is under an obligation to appoint a Rate Determination Agent which must be the investment banking division of a bank of international repute and which is not an affiliate of the Seller to determine an Alternative Base Rate in accordance with Condition 5.3 (*Right to interest - Fallback provisions*), and, (iii) subject to the Interest Rate Swap Provider's agreement, an amendment may be made under Article 27.20 (*Additional modifications and waivers*) of the Rules of the Organisation of the Noteholders to change the base rate that then applies in respect of the Interest Rate Swap Agreement for the purpose of aligning the base rate of the Interest Rate Swap Agreement to the Reference Rate of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes following a Base Rate Modification, there can be no assurance that any such amendments will be made or, if made, that they (a) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and the Interest Rate Swap Agreement or (b) will be made prior to any date on which any of the risks described in this risk factor may become relevant.

It is a condition of any Base Rate Modification that upon any change to the Reference Rate of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes the parties to the Interest Rate Swap Agreement shall negotiate in good faith the possibility to adjust the relevant rate applicable under the Interest Rate Swap Agreement, or that any amendment or a modification to the Interest Rate Swap Agreement to align the Reference Rate applicable under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and the Interest Rate Swap Agreement takes effect at the same time as the Base Rate Modification takes effect.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation reforms in making any investment decision with respect to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

## **CATEGORY OF RISK FACTORS 2: RISK FACTORS RELATED TO THE NATURE OF THE NOTES**

### **Noteholders cannot rely on any person other than the Issuer to make payments to Noteholders on the Notes**

The Notes will be limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets and will not be the responsibility of, or be guaranteed by, any other entity. In

particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any Transaction Party (including, without limitation, the Arrangers and/or the Joint Lead Managers) or any other person except the Issuer. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

### **Limited sources of payments to Noteholders, subordination and credit enhancement**

The Issuer's principal asset is the Aggregate Portfolio and the other Securitisation Assets. The Issuer will not have as of the Issue Date any significant assets for the purpose of meeting its obligations under the Securitisation, other than the Aggregate Portfolio, the Available Collections and Recoveries derived therefrom and its rights under the Transaction Documents.

Payments of interest and repayment of principal under the Notes are subject to certain subordination and ranking provisions.

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Interest Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Class E Notes and the Class Z Notes, in each case, according to the following ranking:

- (a) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (b) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (c) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;
- (d) the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and Class C Notes;
- (e) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes; and
- (f) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Principal Available Distribution Amounts to fund its obligation to repay the principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and pay the Variable Return (if any) on the Class Z Notes, in each case, according to the following ranking:

- (a) during the Pro-Rata Amortisation Period:

- (i) the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of the Class Z Notes; and
  - (ii) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (b) during the Sequential Redemption Period:
- (i) the principal of the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class B Notes, the Class C Notes, the Class D Notes and the Variable Return of the Class Z Notes;
  - (ii) the principal of the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class C Notes, the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal on the Class A Notes;
  - (iii) the principal of the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes and the Class B Notes;
  - (iv) the principal of the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes, the Class B Notes and the Class C Notes; and
  - (v) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Following the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Notes, in each case, according to the following ranking:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;
- (iv) the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes;

- (v) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; and
- (vi) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne firstly by the Noteholders which rank more junior in the applicable Priority of Payments and secondly by the other Noteholders in accordance with their ranking in such Priority of Payments

#### **Payment of interest on the Notes may be deferred in certain circumstances**

Payments of interest on the Mezzanine Notes (other than the Most Senior Class of Notes) will be subject to deferral to the extent that on any Payment Date there will be insufficient funds available to make such interest's payment on any of the Mezzanine Notes (other than the Most Senior Class of Notes), in accordance with the applicable Priority of Payments. In such case, the relevant unpaid interest in respect of the Mezzanine Notes shall be aggregated with the amount of interest due on each such Notes payable on the immediately succeeding Payment Date. No interest will be payable on any amount so deferred.

Payments of interest on the Most Senior Class of Notes will not be subject to deferral, as described above, and any failure to pay the relevant interest amount will constitute a Trigger Event.

In addition it should be noted that, pursuant to the Pre-Enforcement Interest Priority of Payments, on any Payment Date prior to the service of a Trigger Notice, the interests due on any Class of Mezzanine Notes (not being the Most Senior Class of Notes) will be subordinated to a lower ranking under such priority of payments if the debit balance of the Principal Deficiency Sub-Ledger of any such Class of Mezzanine Notes on the previous Payment Date (after making all payments due on that date) was equal to or greater than 10 per cent. of the Principal Amount Outstanding of the relevant Class of Mezzanine Notes;

For further details, see sections headed "*Terms and Conditions of the Notes*".

#### **Limited recourse nature of the Notes**

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Senior Notes and the Mezzanine Notes and principal and Variable Return (if any) on the Class Z Notes only if and to the extent that the Issuer will have sufficient Available Distribution Amounts to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Available Distribution Funds available to the Issuer to pay in full any amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Other than as provided for in the Transaction Documents, the Issuer and the Representative of the Noteholders will have no recourse to the Seller or any other entity. In this respect, the net proceeds of the realisation of the Aggregate Portfolio may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished.

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

#### **Investment in the Notes is only suitable for certain investors**

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

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

Prospective investors should not rely on or construe any communication (written or oral) of the Issuer, the Seller, the Arrangers, the Joint Lead Managers or any other Transaction Party as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Seller, the Arrangers, the Joint Lead Managers or any other Transaction Party shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses.

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

The above constitutes a risk given the nature of the Notes as complex financial instruments. In addition to the disclaimer contained in the Prospectus – by which prospective investors should not rely solely on the information provided under this Prospectus in order to assess the feasibility of their investment – this specific risk factor is aimed at underlying the potential losses an investor may suffer if it invests in the Notes without appropriate independent counselling.

#### **Lack of liquidity in the secondary market**

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

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

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

**Yield, prepayment, weighted average life of the Notes and subrogation considerations are influenced by a number of factors.**

The yield to maturity, the amortisation plan and the weighted average life of the Notes will depend upon, *inter alia*, (i) the amount and timing of repayment of principal (including prepayments and sale proceeds arising on enforcement of an Auto Loan Contract) on the Auto Loan Contracts and (ii) the exercise of the optional redemption rights of the Issuer pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*) or Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*). Such yield and/or weighted average life may be adversely affected by a higher or lower than anticipated rate of prepayments on the Auto Loan Contract, since under the terms of each Auto Loan Contract (and pursuant to Article 125-*sexies* of the Italian Banking Act), the Debtor is allowed to prepay, in whole or in part and at any time, the Auto Loan before its scheduled final payment date. As such, (i) the rate of prepayment of Auto Loan Contract cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer and ordinary loans market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions, and (ii) the actual average life of the Senior Notes and the Mezzanine Notes is, therefore, impossible to predict exactly, *provided that* the Senior Notes and the Mezzanine Notes may also mature earlier than the expected average life. For further details, see sections headed "*Estimated Maturity and Estimated Weighted Average Life of the Senior Notes and the Mezzanine Notes*".

Moreover, with respect to the subrogation, Article 120-*quater* of the Italian Banking Act provides that, in respect of a loan, overdraft facility or any other financing granted by a bank or financial intermediary, the relevant borrower can exercise the subrogation, even if the borrower's debt towards the lender is not due and payable or a term for repayment has been agreed for the benefit of the creditor. The borrower shall not bear any expenses or commissions in connection with the subrogation. Furthermore, if the subrogation is not perfected within 30 (thirty) business days from the date on which the original lender has been requested to cooperate for the conclusion of the subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent. of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the subrogation.

The impact of the above on the yield to maturity and the weighted average life of the Senior Notes and Mezzanine Notes cannot be predicted. As such, the stream of principal payments received by a Noteholder may not be uniform or consistent and no assurance can be given as to the yield to maturity which will be experienced by a holder of any Senior Note and/or Mezzanine Note.

#### **Limited nature of credit ratings assigned to the Rated Notes and effect on the market value of the Rated Notes of reduction or withdrawal of the assigned ratings**

The credit ratings which is expected to be assigned to the Rated Notes by the Rating Agencies on the Issue Date will reflect the Rating Agencies' assessment of (a) with respect to the Class A Notes, only the timely payment of interest on each Payment Date and the ultimate repayment of principal on or before the Final Maturity Date; and (b) with respect to each Class of Mezzanine Notes, (i) as long as the relevant Class is the Most Senior Class of Notes then outstanding, only the timely payment of interest on each Payment Date and the ultimate repayment of principal on or before the Final Maturity Date; and (ii) as long as the relevant Class is not the Most Senior Class of Notes then outstanding, only the ultimate payment of interest and repayment of principal on or before the Final Maturity Date. These ratings are based, among other things, on the Rating Agencies' determination of the value of the Aggregate Portfolio, the reliability of the payments on the Aggregate Portfolio and the availability of credit enhancement.

The ratings do not address the following:

- (a) the likelihood that the principal will be redeemed on the Rated Notes on any Payment Date prior to the Final Maturity Date;
- (b) possibility of the imposition of Italian or European withholding taxes;

- (c) the marketability of the Rated Notes, or any market price for the Rated Notes; or
- (d) whether an investment in the Rated Notes is a suitable investment for a Noteholder.

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

The rating of the Rated Notes may nevertheless be subject to revision or withdrawal at any time by the assigning Rating Agency. Moreover, in the event of downgrading of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation, there is no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Rated Notes may be affected.

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 for regulatory purposes issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. Furthermore, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation, unless such rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or such rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA's list.

The list of registered and certified rating agencies published by FCA on its website in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA's list.

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

The Issuer has not requested a rating of the Rated Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Rated Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Rated 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.

### **Individual Noteholders have limited enforcement rights**

Pursuant to the Transaction Documents, the Representative of the Noteholders is responsible for implementing the resolutions of the meeting of the Noteholders and for protecting the Noteholders' common interest *vis-à-vis* the Issuer and is entitled to exercise, following the service of a Trigger Notice, the contractual rights of the Issuer under the Intercreditor Agreement in accordance with the terms of the Transaction Documents.

Moreover, the protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders to the extent provided by the Transaction Documents. Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents.

In such respects, the Rules limit the ability of individual Noteholders to commence proceedings against the Issuer by giving the meeting of the Organisation of the Noteholders the power to decide whether a Noteholder may commence any such individual actions.

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

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

Indeed, under the Securitisation (i) SFS Italia acts as Seller, Servicer, Cash Manager and Junior Notes Subscriber; (ii) BNP Paribas acts as Account Bank and Paying Agent; (iii) Zenith as Corporate Servicer, Representative of the Noteholders and Calculation Agent and (iv) SCF acts as Back-Up Servicer Facilitator and RSF Reserve Advance Provider. In addition, SFS Italia may hold and/or service receivables arising from loans other than the Receivables and providing financial services to the Debtors. Even though under the Servicing Agreement, SFS Italia as Servicer has undertaken to act in the interest of the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the Debtors.

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

### **Noteholders' directions following the service of a Trigger Notice or in case of early redemption of the Notes**

Following the occurrence of a Trigger Event, the Representative of the Noteholders shall, pursuant to the Conditions, serve a Trigger Notice to the Issuer (with copy to the Servicer, the Calculation Agent and the Rating Agencies). To such end, the Representative of the Noteholders may take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure said payments.

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

### **Noteholders' directions following the service of a Trigger Notice**

Following the delivery of a Trigger Notice and in accordance with the Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Aggregate Portfolio or any part thereof in accordance with the provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of



the Aggregate Portfolio pursuant to Article 21(4)(d) and Article 24(17)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

In addition, at any time after a Trigger Notice has been served, the Representative of the Noteholders may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued but unpaid interest thereon in accordance with the Post-Enforcement Priority of Payments. The directions of the Most Senior Class of Noteholders in such circumstances may be adverse to the interests of the other Classes of Noteholders.

### **Resolutions of the Noteholders**

Prospective Noteholders should note that Noteholders' resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting. Therefore certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such Resolution.

In particular, pursuant to the Rules of the Organisation of the Noteholders, any resolution (other than one involving a Basic Terms Modification) that is passed by the Most Senior Class of Noteholders shall be binding on the other Classes of Notes irrespective of the effect thereof on their interests. As such, prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting.

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making, *inter alia*, (i) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes and (ii) any amendment or modification to the Conditions or to any of the other Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

There is no assurance that each Noteholder concurs with any such modification by the Representative of the Noteholders.

See the section headed "*Terms and Conditions of the Notes*" below.

### **CATEGORY OF RISK FACTORS 3: RISK FACTORS RELATED TO THE AGGREGATE PORTFOLIO**

#### **No independent investigation in relation to the Receivables**

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

The only remedies of the Issuer in respect of the occurrence of a breach of the representations and warranties materially affecting the Receivables will be the partial termination of the Master Receivables Transfer

Agreement or the relevant Transfer Agreement, as the case may be and the payment by the Seller of an amount equal to the sum of (i) the Outstanding Balance in respect of the relevant Affected Receivables, (ii) accrued and outstanding interest, and (iii) any Arrears Amounts relating to those Affected Receivables as of the Determination Date preceding the Non-Conformity Repurchase Date (see section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS – MASTER RECEIVABLES TRANSFER AGREEMENT"). There is no assurance that the Seller will have the resources to comply with the aforementioned payment obligation.

### **Performance of Auto Loan Contracts**

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

Moreover, the recovery of overdue amounts in respect of the Auto Loans will be affected by the length of enforcement proceedings in respect of the Auto 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 Auto 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 any Debtor raises a defence or counterclaim to the proceedings.

### **Insurance Policies**

Any indemnity paid by the relevant Insurance Company to the relevant Debtor as beneficiary under any Insurance Policy may be used by the relevant Debtor to pay the amounts due in relation to the relevant Receivables. There can be no guarantee that the Insurance Companies will perform their respective obligations under the relevant Insurance Policy. In addition, there is no guarantee that the Debtors would apply the insurance proceeds received to pay the amounts due in relation to the relevant the Receivables.

### **Recoveries under the Auto Loan Contracts**

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

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

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

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

Estimates of the cost for the enforcement of security interests have to be made on a case by case basis. The creditor is required to pay, in advance, the expenses of the judicial enforcement proceeding (including the fees of the expert appointed by the court to appraise the assets subject to enforcement).

Prospective Noteholders should note that the Vehicles will be owned by the Debtors and, save in limited circumstances, the Issuer will have no security rights over such Vehicles. Hence, in case of default by any of the Debtor under an Auto Loan Contract the Issuer will be unable to satisfy its claims against the Debtor regarding the relevant Receivables through the sale of the relevant Vehicles and the proceeds arising therefrom.

### **Servicing of the Aggregate Portfolio**

The Aggregate Portfolio will be serviced by SFS Italia as Servicer of the Securitisation. Consequently, the net cash flows from the Aggregate Portfolio may be affected by decisions made, actions taken and the Servicing Procedures adopted by the Servicer.

To address this risk, the Servicing Agreement provides that (i) the Servicer will carry out the servicing activities according to the highest professional standards of skill and diligence in the collection and recovery of securitised receivables similar to the Receivables in the interest of the Issuer and the Representative of the Noteholders; (ii) in the event that the Servicer has to face a situation that is not expressly envisaged in the Servicing Procedures, it shall act in a commercially prudent and reasonable manner and in the interest of the Issuer, the Representative of Noteholders, the Noteholders and the Other Issuer Secured Creditors. In addition, amendments to the Servicing Procedures may be made only in the limited circumstances provided for under the Servicing Agreement; (iii) in case of payments made by direct debit, amounts paid by Debtors are paid into the Servicer Collection Account and, in the case of payments through postal bulletin (*bollettino postale*), amounts paid by Debtors are paid into the Servicer Postal Account and then transferred by the Servicer from the Servicer Postal Account to the Servicer Collection Account (in any case by no later than the second Business Day following the date of receipt); and (iv) the Servicer has undertaken to transfer all the Available Collections and Recoveries to the Collection Account by no later than the second Business Day following receipt of such amounts.

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

### **Used Car Risk**

Certain of the Auto Loan Contracts giving rise to Receivables are in relation to Used Cars. Historically, the risk of non-payment of Auto Loans in relation to Used Cars is greater than in relation to Auto Loans for the purchase of New Cars. In such respect, under the Global Portfolio Limits set out in the Master Receivables Transfer Agreement, the Outstanding Balance of the Performing Receivables arising from Auto Loan Contracts relating to the financing Used Cars shall not exceed 15% of the aggregate Outstanding Balance of all Purchased the Receivables (for further details, see the section headed "*The Aggregate Portfolio*").

### **Principal Deficiency Ledger**

The Issuer has established and will maintain with the Calculation Agent the Principal Deficiency Ledger in respect of the Senior Notes and the Mezzanine Notes (other than the Class E Notes). If, upon default by the Debtors and the exercise by the Issuer or the Servicer of all available remedies under the Loans, the relevant Receivables deriving from such Loans are classified as Defaulted Receivables, the Issuer will be obliged to record any principal deficiencies in the Principal Deficiency Ledger. If there are insufficient funds available as a result of such principal deficiencies, then one or more of the following consequences may ensue:

- (a) the Issuer's interest and other net income may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes;

- (b) there may be insufficient funds to redeem in full the Note unless, prior to the Final Maturity Date, the Issuer's interest and other net income is sufficient, after making other payments to be made in priority thereto, to reduce to nil the debit provision in the Principal Deficiency Ledger; and
- (c) if the aggregate debit balance of the Principal Deficiency Ledgers, notwithstanding any reduction as aforesaid, exceed the aggregate Principal Amount Outstanding of the Senior Notes and the Mezzanine Notes (other than the Class E Notes), such Notes may not receive by way of principal their full face value.

#### **CATEGORY OF RISK FACTORS 4: RISKS RELATED TO OTHER LEGAL CONCERNS**

##### **Limited interpretation of the Securitisation Law**

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus. The above constitutes a risk given that a different interpretation of the Securitisation Law may impose on the parties to the transaction additional requirements and thus ultimately affect the operation of and/or the return expected on the transaction.

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

Italian Law No. 108 of 7 March 1996 (the **Usury Law**) introduced legislation preventing lenders from applying interest rates higher than those deemed to be usurious (**Usury Rates**). Usury Rates are set on a quarterly basis by a decree issued by the Italian Treasury.

With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to its entering into force, the Italian Government has specified with Law Decree No. 394 of 29 December 2000 (**Decree 394/2000**) converted into law by the Italian Parliament with Law No. 24 of 28 February 2001, that interest rate is usurious if it is higher than the legal limit in force at the time at which it is promised or agreed, in any form, regardless of the time at which payment is made. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law, as interpreted by Law 24/2001, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion seems confirmed by the Italian Supreme Court (Cass. Sez. I, 11.01.2013, No. 602 and Cass. Sez. I, 11.01.2013, No. 603), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans.

In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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

The Italian Supreme Court, under decision No. 350/2013, as confirmed by decision No. 23192/2017 and No. 19597/2020, 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.

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

### **Rules on compounding of interest (*anatocismo*) have been subject to different interpretation over the time**

Pursuant to Article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement entered into after the date on which it has become due and payable or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. According to Article 1283 of the Italian Civil Code, such provision may be derogated only in the event that there are recognised customary practices (*usi*) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in Italy is a common market practice on the grounds that such practice should be characterised as a customary rule (*uso normativo*). According to certain judgements from Italian Supreme Court (*Corte di Cassazione*) (including judgements No. 2374/1999, No. 2593/2003 and No. 21095/2004 as confirmed by judgment No. 24418/2010 of the same Court), such practice has been re-characterised as an agreed clause (*uso negoziale*) and as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian Civil Code.

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

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

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

### **Risk of claw back**

Assignments of receivables made under the Securitisation Law are subject to claw-back (*revocatoria fallimentare*) (i) pursuant to Article 166, first paragraph, of the Italian Insolvency Code, if the adjudication of insolvency of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, *provided that* the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to Article 166, paragraph 2, of the Italian Insolvency Code, if the adjudication of insolvency of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the insolvency receiver of such originator is able to demonstrate that the issuer was aware or ought to be aware of the insolvency of the originator.

In such respect, pursuant to the Master Receivables Transfer Agreement the Seller must deliver to the Issuer certain standard solvency certificates on a quarterly basis as a condition precedent of the Portfolios' assignments made thereunder. However, it should be noted that, ultimately the Seller's solvency cannot be assured throughout the life of the Securitisation. Any insolvency declaration of the Seller may have adverse

effects on the Securitisation.

According to Article 4 of the Securitisation Law, payments made by an assigned debtor to the Issuer may not be subject to any claw-back action or ineffectiveness according to, respectively, Articles 166 and 164, first paragraph, of the Italian Insolvency Code.

All other payments made to the Issuer by any Transaction Party in the one year/sixth months suspect period prior to the date on which the petition for admission to judicial liquidation (*liquidazione giudiziale*) of the relevant party is filed may be subject to claw-back action according to Article 166 paragraphs 1 or 2, as applicable, of the Italian Insolvency Code. The relevant payment may be set aside and clawed back if the receiver gives evidence that the recipient of the payments was aware or ought to be aware of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

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

The Class A Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Class A Notes. If the Class A Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Class A Notes at any time. In the event that the Class A Notes are not recognised (or cease to be recognised) as an eligible collateral for Eurosystem operations, the holders of the Class A Notes would not be able to access the ECB funding. In such case, there is no assurance that the holders of the Class A Notes will find alternative sources of funding or, should such alternative sources be found, these will be at equivalent economic terms compared to those applied by the ECB. In the absence of suitable sources of funding, the holders of the Class A Notes may ultimately suffer a lack of liquidity. Neither the Issuer, nor the Arrangers or any other Transaction Party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Class A Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Class A Notes are at any time deemed ineligible for such purposes.

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

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

Investors should note in particular that the Basel Committee on Banking Supervision (**BCBS**) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV

reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe and in the UK, both of which are under review and subject to further reforms.

These changes may affect the regulatory treatment applicable to the Notes. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

In particular, relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Seller, the Arrangers, the Joint Lead Managers or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. For further details, see the risk factors entitled "*EU Securitisation Regulation and the UK Securitisation Regulation, as applicable, have introduced new requirements which should be assessed independently by the investors*" "*Investors' compliance with the due diligence requirements under the EU Securitisation Regulation and UK Securitisation Regulation*" and "*Limited nature of credit ratings assigned to the Rated Notes and effect on the market value of the Rated Notes of reduction or withdrawal of the assigned ratings*", respectively, below and above.

Prospective investors in the Class A Notes should also note any exercise of the Notes' early redemption provided for by Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*), does not necessarily trigger the end of the Revolving Period, and this may have an impact on the capital treatment of the Class A Notes.

### **The STS designation impacts on regulatory treatment of the Notes**

The Securitisation is intended to qualify as an STS-Securitisation within the meaning of Article 18 of the EU Securitisation Regulation. To this extent, the Securitisation has been structured so as to meet the Non-ABCP EU STS Requirements. In addition, as at the date of this Prospectus the Securitisation meets also the ABCP EU STS Requirements.

The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided the Notes remain on the ESMA STS Register and continue to meet the EU STS Requirements.

SFS Italia has used the service of PCS, as verification agent authorised under Article 28 of the EU Securitisation Regulation, so as to assess the compliance of the Securitisation with the EU STS Requirements (the **STS Verification**) and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 and Article 270 of the CRR (the **CRR Assessment** and, together with the STS Verification, the **STS Assessments**).

It is important to note that the involvement of PCS as an authorised third-party verifying STS compliance is not mandatory and the responsibility for compliance with the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Assessments will not absolve such entities from making their own assessment and assessments with respect to the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) and the STS Assessments cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. In addition, SFS Italia has not used the service of PCS, as verification agent authorised under Article 28 of the EU Securitisation

Regulation, to prepare an assessment of compliance of the Notes with Article 7 and Article 13 of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (the **LCR Regulation**); in this regard, it should be noted that as at the date of this Prospectus the Senior Notes are not expected to satisfy the requirements of the LCR Regulation. Furthermore, the STS Assessments are not an opinion on the creditworthiness of the Notes or on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation or the UK Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS Notification or other disclosed information.

No assurance can be *provided that* the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register. None of the Issuer, the Seller, the Reporting Entity, the Arrangers, the Joint Lead Managers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-Securitisation under the EU Securitisation Regulation and/or the UK Securitisation Regulation as at the date of this Prospectus nor at any point in time in the future.

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

**EU Securitisation Regulation and the UK Securitisation Regulation, as applicable, have introduced new requirements which should be assessed independently by the investors**

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review on which, under article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course, which was followed in December 2023 by the consultation of the European Securities and Markets Authority on the possible options for introducing reforms to the EU reporting regime. The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes).

The UK Securitisation Regulation applies in the UK from 11pm (London time) on 31 December 2020 following the end of the transition period relating to the UK's withdrawal from the EU (note that the UK is also no longer part of the EEA). The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The currently applicable UK Securitisation Regulation regime will be revoked and replaced in due course with a new recast regime as a result of the ongoing legislative reforms introduced under the "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to "A Smarter Regulatory Framework for financial services", the Financial Services and Markets Act 2020 regime, as amended by the Financial Services Markets Act 2023 (FSMA) and related thereto (i) the Securitisation Regulations 2024 (SI 2024/102) made on 29 January 2024 (2024 UK SR SI); (ii) the Prudential Regulation Authority (PRA) policy statement PS7/24 dated 30 April 2024, "Securitisation: General requirements", which includes the new Securitisation Part of the PRA Rulebook which is due, subject to the repeal of the UK Securitisation Regulation, to come onstream on 1 November 2024; and (iii) the Financial Conduct Authority policy statement PS24/4 which sets out the final FCA Securitisation Sourcebook (SECN) which, subject to the repeal of the UK Securitisation Regulation (and related technical standards currently in force in the UK), also has an implementation date of 1 November 2024.



It should be noted that the implementation of the UK Securitisation Regulation reforms is a protracted process and will be introduced in phases..

Various parties to the Securitisation are subject to the requirements of the EU Securitisation Regulation or the UK Securitisation Regulation, as applicable.

Certain European-regulated institutional investors or UK-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under article 5 of the EU Securitisation Regulation or article 5 of the UK Securitisation Regulation, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position. Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective EU or UK regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as EU STS or UK STS, compliance of that transaction with the EU or UK STS requirements, as applicable.

Note that under the reforms to the UK Securitisation Regulation mentioned above, the recast of the investor due diligence provisions will result in a more fragmented implementation of such requirements so that different types of UK institutional investors (depending on how and by which UK regulator they are authorised or supervised) will need to refer to the New UK Securitisation Rules. While the recast of the requirements (which broadly builds on the existing requirements of article 5 but with some material divergence from the EU article 5 requirements, in particular around due diligence on transparency and the delegation of the investment decision to another investor) is fragmented, it is intended to ensure coherence of the overall framework.

Prospective investors should be aware that under the Securitisation it has not been contractually agreed to comply with the transparency requirements of the UK Securitisation Regulation, while contractual compliance with the risk retention requirements under article 6 of the UK Securitisation Regulation is provided for only with respect to the UK Securitisation Regulation as interpreted and applied as at the Issue Date and not taking into account any relevant national measures. Prospective investors should also note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with article 7 of the EU Securitisation Regulation will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation. For further details, see the risk factor headed "*Investors' compliance with the due diligence requirements under the EU Securitisation Regulation and UK Securitisation Regulation*" below.

Prospective investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

### **Investors' compliance with the due diligence requirements under the EU Securitisation Regulation and UK Securitisation Regulation**

Investors should be aware of the due diligence requirements under Article 5 of the EU Securitisation Regulation or Article 5 of the UK Securitisation Regulation that apply to institutional investors with an EU or UK 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) 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 EU Securitisation Regulation or the UK Securitisation Regulation are being complied with; and
  - (iii) information required by Article 7 of the EU Securitisation Regulation or the UK 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(4) of the EU Securitisation Regulation or the UK 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 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 EU Securitisation Regulation or the UK Securitisation Regulation and any corresponding national measures which may be relevant to investors. None of the Issuer, SFS Italia (in any of its capacities under the EU Securitisation Regulation or UK Securitisation Regulation), the Arrangers, the Joint Lead Managers or any other Party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

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.

Each institutional investor that is required to comply with Article 5 of the EU Securitisation Regulation or the UK Securitisation Regulation is required independently to assess and determine the sufficiency of the information described in this Prospectus and which may otherwise be made available to investors for the purposes of its initial and ongoing compliance with Article 5 of the EU Securitisation Regulation or the UK Securitisation Regulation. Although the Seller will produce monthly investor reports and the Issuer may make announcements from time to time in accordance with applicable law or regulation or the terms of the Notes, none of the Issuer, the Arrangers, the Joint Lead Managers or any of the other transaction parties (i) makes any representation that the information described above or elsewhere in this Prospectus or which may otherwise be made available to such investors or to which such investors are entitled (if any) is sufficient for such purposes, (ii) shall have any liability to any actual or prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of Article 5 of the EU Securitisation Regulation or UK Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (including, but not limited to, the provision of additional information) to enable compliance by relevant investors with the requirements of Article 5 of the EU Securitisation Regulation or UK Securitisation Regulation or any other applicable legal, regulatory or other requirements. Investors who are affected should therefore be aware that should they determine at any time, whether for their initial investment or as a result of changes following

the end of the transitional period for reporting under Article 7 of the EU Securitisation Regulation or UK Securitisation Regulation or otherwise, that they have insufficient information in order to comply with their own due diligence obligations under Article 5 of the EU Securitisation Regulation or UK Securitisation Regulation, there is no obligation on the Issuer or any other party (including, for the avoidance of doubt, the Arrangers and/or the Joint Lead Managers) to provide further information to meet such insufficiency.

### **The Seller intends to rely on an exemption from U.S. Risk Retention requirements**

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

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

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

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

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

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or

other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
  - (i) organised or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;

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

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

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

None of the Arrangers, the Joint Lead Managers, the Seller, the Issuer or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisors as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

#### **The Bank Recovery and Resolution Directive may apply to some parties to the Transaction Documents**

As a result of the Banking Recovery and Resolution Directive 2014/59/EU of 15 May 2014 (the "**BRRD**"), it is possible that a credit institution or investment firm with its head office in an EEA State and/or certain group companies could be subject to certain resolution actions in that State. The BRRD - implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015, both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015 - is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The BRRD also provides for a Member State as a last resort, after having assessed and exploited said resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public

equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The BRRD applies, *inter alia*, to (i) credit institutions, (ii) investment 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.

In June 2019, Directive ((EU) 2019/879) ("**BRRD II**") entered into force and it became applicable on 28 December 2020. BRRD II amends the BRRD by, amongst other matters, providing EU Member States with the power to ensure that their resolution authorities have the power to suspend payment or delivery obligations and enforcement action by secured creditors, including an exemption to include a contractual recognition of bail-in clause in certain circumstances and introducing requirements on the contractual recognition of resolution stay powers, as well as changes related to the revision of the existing minimum requirements for own funds and eligible liabilities with a view to calibrating them with the total loss absorbing capacity standard.

Any such resolution or action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Noteholders will not be adversely affected as a result.

### **Volcker Rule may restrict the ability of relevant individual prospective purchaser to invest in the Notes**

The Issuer is being structured so as to not 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, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. None of the Issuer, the Arrangers, the Joint Lead Managers or the other Transaction Parties (other than the Issuer) makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future. Pursuant to the Subscription Agreements the Issuer has represented that it does not qualify as a "covered fund" as defined under Section \_\_.2(c) of the final rules promulgated under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The above constitutes a risk given that the potential application of the Volcker Rule to the Notes may impede or, in any case, negatively affect the assignability of the Notes and, as such, possibly the regular functioning of the transaction throughout its lifetime.

### **EMIR**

EMIR (as amended by Regulation (EU) No. 2019/834 (**EMIR Refit 2.1**)) prescribes a number of regulatory requirements for counterparties to derivatives contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the **Clearing Obligation**); (ii) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the **Risk Mitigation Requirements**); and (iii) certain reporting requirements. In general, the application of such regulatory requirements in respect of a swap transaction will depend on the classification of the counterparties to such

derivative transaction.

Pursuant to EMIR, counterparties can be classified as: (i) financial counterparties (**FCs**) (which, following changes made by EMIR Refit 2.1, includes a sub-category of small FCs (**SFCs**)), and (ii) non-financial counterparties (**NFCs**). The category of "NFC" is further split into: (i) non-financial counterparties above the "clearing threshold" (**NFC+s**), and (ii) non-financial counterparties below the "clearing threshold" (**NFC-s**). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant swaps are not subject to clearing, to the collateral exchange obligation and the daily valuation obligation under the Risk Mitigation Requirements, such obligations do not apply in respect of NFC- entities.

The Issuer is currently an NFC-, although a change in its position cannot be ruled out. Should the status of the Issuer change to NFC+ or FC, this may result in the application of the Clearing Obligation or the collateral exchange obligation and daily valuation obligation under the Risk Mitigation Requirements, although it seems unlikely that the Interest Rate Swap Agreement would be a relevant type of OTC derivative contract that would be subject to the Clearing Obligation under the relevant implementing measures made to date. It should also be noted that, given the STS designation of the Securitisation, should the status of the Issuer change to NFC+ or FC, another exemption from the Clearing Obligation and a partial exemption from the collateral exchange obligation may be available for the Issuer, provided that the applicable conditions are satisfied. With regard to the latter, please refer to the section headed "*Transaction Overview - Principal features of the Notes*" and the risk factor entitled "*The STS designation impacts on regulatory treatment of the Notes*".

Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with the Clearing Obligation and the collateral exchange obligation were they to be applicable, which may (i) lead to regulatory sanctions, (ii) adversely affect the ability of the Issuer to continue to be party to the Interest Rate Swap Agreement (possibly resulting in a restructuring or termination of the Interest Rate Swap Agreement) or to enter into replacement swap agreements and/or (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge the interest rate risk in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors' receiving less interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes than expected.

Lastly, it should be noted that EMIR-related amendments may be made to the Transaction Documents and/or to the Conditions without Noteholders' consent for the purpose of complying with any obligation which applies to the Issuer under EMIR.

***If subordination provisions were challenged in insolvency proceedings, the rights of the Noteholders could be affected***

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, several cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Subordinated Swap Amounts.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent 2016 U.S. Bankruptcy Court decision held that in certain circumstances flip clauses are protected under the U.S. Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the U.S. District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the U.S. Court of Appeals for the Second Circuit. The implications of this conflict remain

unresolved.

If a creditor of the Issuer (such as the Interest Rate Swap Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priority of Payments which refers to the ranking of the Interest Rate Swap Provider's payment rights in respect of any Subordinated Swap Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to any replacement Interest Rate Swap Provider, depending on certain matters in respect of that entity).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction and any relevant foreign judgment or order was recognised by the Italian courts, there can be no assurance that such actions would not adversely affect the rights of the holders of the Senior Notes and the Mezzanine Notes, the market value of the Senior Notes and the Mezzanine Notes and/or the ability of the Issuer to satisfy its obligations under the Senior Notes and the Mezzanine Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Subordinated Swap Amount, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Rated Notes. If any rating assigned to the Rated Notes is lowered, the market value of the Rated Notes may reduce.

### **The Seller is subject to legal proceedings**

SFS Italia is subject to certain claims and is involved in a number of legal proceedings relating to the ordinary course of its business. It is difficult to predict the outcome of such claims and proceedings with certainty, and therefore liabilities related to such claims and proceedings may (although unlikely) have, in the aggregate, significant effects on the financial position or profitability of SFS Italia. This in turn may impact the transaction as SFS Italia acts, *inter alia*, as the Seller and may not be able to originate additional portfolios at its standard rates.

Besides the above, SFS Italia is involved in a legal proceedings before the Italian Administrative Court (Tar Lazio) against a fining decision issued by Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato* – "AGCM") in December 2018 (notified in January 2019), at the end of an investigation launched on 5 May 2017 against nine captive banks and related automotive groups operating in Italy in the sale of vehicles by means of financial products as well as two trade associations (*Assofin "Associazione Italiana del Credito al Consumo e Immobiliare"* and *Assilea "Associazione Italiana Leasing"*).

AGCM adopted a fining decision of a total of approximately €678 million. The fine imposed against SFS Italia amounted to around € 6 million (prudently paid off by SFS Italia, despite the certainty of the legitimacy of its actions and the awareness of the groundlessness of the arguments underlying AGCM's decision). Contemporarily, SFS Italia lodged an appeal before the Italian Administrative Court (Tar Lazio) in order to obtain the annulment of the decision or, subordinately, the reduction of the amount of the fine. On 24 November 2020, SFS Italia obtained the full annulment of the decision, since the Italian Administrative Court deemed the grounds raised by SFS Italia well founded. Nevertheless, the AGCM appealed against the annulment decision, but, on 3 February 2022, the Council of State (as second instance administrative tribunal) rejected the appeal confirming the annulment of the fine. The rejection of this ground was in itself considered sufficient to result in the annulment of IAA's Decision (Judgment No. 753/2022) and on 12th April there was the recovery of the fine of around € 6 million paid by SFS Italia.

It is worth noting that following AGCM fining decision, an Italian Consumers' Association (**Altroconsumo**)

started a Class Action against the captive banks previously fined before the Court of Milan. However, since the proceeding has been resolved in favor of SFS Italia, it is reasonable to expect that the Court of Milan will file the lawsuit.

#### **CATEGORY OF RISK FACTORS 5: RISKS RELATED TO SPECIFIC LEGAL CONCERNS – APPLICABLE CAR AND CONSUMER CREDIT LEGISLATION**

##### **Risks arising from the qualification of the Auto Loans as "consumer loans": the Italian consumer protection legislation contains certain protections in favour of debtors which are applicable to the Auto Loans**

The Aggregate Portfolio includes Auto Loans which are "consumer loans" (i.e. loans extended to individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities) and are regulated by, amongst other things: (i) Articles 121 to 126 of the Italian Banking Act; and to the extent applicable (ii) the Italian Legislative Decree No. 206 of 6 September 2005 (the **Consumer Code**).

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

- (a) pursuant to paragraphs 1 and 2 of Article 125-*quinques* of the Italian Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, *provided that* such default meets the conditions set out in Article 1455 of the Italian Civil Code. In case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to paragraph 4 of Article 125-*quinques* of the Italian Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under paragraphs 1 to 3 of the same Article, which they had against the original lender. In addition, with respect to insurance policies financed by the originators/lenders (where the premium is paid up-front by the originators to the insurance companies and then reimbursed to the originators/lenders by the borrowers as a part of the loan instalments), it is uncertain whether such insurance policies may qualify as linked contracts and, as such, would confer on the borrowers the right to terminate the relevant loan agreements or at least claim a refund of the unearned premium from the issuer in case of default of the insurance companies. On the basis of the principles of the Italian civil code it could be reasonably argued that, should the insurance policies qualify as linked contracts, upon default of the insurance companies the borrowers would be entitled to claim only a refund of the portion of the loan financing the premium. However, it should be noted that, as at the date of this Prospectus, no decision has been expressed by any Italian court in respect of this issue;
- (b) pursuant to paragraph 1 of Article 125-*sexies* of the Italian Banking Act, debtors under consumer loan contracts have the right to prepay any consumer loan (in whole or in part) without penalty and 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 accrue until the final maturity date of such loan. In the event of prepayment by the borrower, the lender, under certain circumstances, is entitled to a compensation equal to 1 per cent. of the prepaid amount of the consumer loan if the residual duration of the consumer loan is longer than one year, and equal to 0.5 per cent. of the same amount, if shorter. The provisions of article 125-*sexies* of the Consolidated Banking Act have been recently amended by aw Decree No. 73 of 25 May 2021, as converted into Law No. 106 of 23 July 2021 (the so-called Sostegni-bis Decree). Pursuant to the Sostegni-bis Decree, the consumer loan agreements shall clearly indicate the criteria applicable for such interest and cost reduction, being a linear proportional reduction or a reduction based on the loan amortised cost. Unless otherwise specified in the relevant consumer loan agreement, a reduction based on the loan amortised cost would apply. Save for any different agreement between the lenders and the relevant credit intermediaries, the lenders would have a recourse against such credit intermediaries for the recovery of an amount equivalent to the portion of the credit intermediaries' fees reimbursed to the borrowers as a result of the prepayment. The amendments to article 125-*sexies* of the Italian Banking Act introduced by the Sostegni-bis Decree would apply to the consumer loan



agreements executed after the entry into force of conversion law. Any prepayment relating to consumer loan agreements entered into prior to such date would continue to be governed by the previous provisions of article 125-sexies, as well as by the Bank of Italy's regulations applicable at the time of the relevant prepayment.;

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

Finally, the Auto Loans disbursed to Debtors who qualify as a "consumer" pursuant to the Italian Banking Act are regulated, *inter alia*, by Article 1469-bis of the Italian Civil Code and by the Consumer Code, which provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

The Seller has represented and warranted in the Master Receivables Transfer Agreement that the Auto Loan Contracts comply with all applicable laws and regulations. Nevertheless, the application of the above mentioned provisions cannot be completely excluded and would, consequently, have an adverse effect on the Securitisation.

### **The European Court of Justice's "Lexitor" decision and subsequent Italian Constitutional Court's decision may impact the cash-flows deriving from the Aggregate Portfolio**

With decision No. 383 of 11 September 2019 (so-called "*Lexitor*"), the European Court of Justice established that, in the event of early termination of a consumer credit agreement, the customer has the right to a reduction in the total cost of the credit, including of all the costs charged to the consumer, and that the reduction must be applied in proportion to the shorter duration of the contract, as a consequence of the anticipated repayment.

With decision No. 263 of 22 December 2022, the Constitutional Court ruled on the matter of reducing the total cost of credit to consumers in the event of early repayment of the loan in the light of the "*Lexitor*" decision.

In particular, with the ruling in question, the Constitutional Court declared the unconstitutionality of Article 11-octies, paragraph 2, of Legislative Decree No. 73 of 25 May 2021 ("*Decreto Sostegni bis*" - converted into Law No. 106 of 23 July 2021), in the part in which the right to a reduction due to the consumer in the event of early repayment was limited to certain types of costs incurred for financing.

The rule referred to contracts entered into after the entry into force of Legislative Decree 13 August 2010, No. 141 implementing Directive 2008/48/EC, but before the entry into force of Law No. 106 of 23 July 2021.

In this respect, the Constitutional Court held that this limitation was in contrast with European legislation and, in particular, with Article 16, paragraph 1, of Directive 2008/48/EC, as interpreted by the European Court of Justice with the "Lexitor" decision.

In the light of the decision of the Constitutional Court, consumers will have the right to a proportional reduction of all costs incurred in relation to the credit agreement, even when the agreements have been entered into prior to the entry into force of Law No. 106 of 23 July 2021.

Prospective Noteholders should note that, pursuant to the Master Receivables Transfer Agreement, the Seller has undertaken to indemnify and keep the Issuer harmless from any damage, loss, claim, cost and/or expense that the Issuer has incurred or may incur as a result of the inability of the Issuer to collect or recover any Receivables due to the exercise by the Debtors of any claim or counterclaim (including by way of set-off) against the Seller.

## **CATEGORY OF RISK FACTORS 6: RISK FACTORS RELATED TO TAX MATTERS**

### **Tax treatment of the Issuer is based on the current interpretation of the Securitisation Law**

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 15 December 2015 (the **2015 Bank of Italy Provision**) (*Istruzioni per la redazione dei bilanci e dei rendiconti degli Intermediari finanziari, degli Istituti di pagamento, degli Istituti di Moneta Elettronica, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets, liabilities, costs and revenues. As of 2016 the Bank of Italy has issued new regulations, as amended from time to time (*Il bilancio degli intermediari IFRS diversi dagli intermediary bancari*) in which all the references to the special purpose vehicles incorporated for the purposes of carrying out securitisation transactions have been deleted in accordance with a general principle that special purpose vehicles should not be subject to regulatory supervision. In the lack of any specific accounting provisions and any clarification by the Bank of Italy, the market operators have nonetheless continued applying the 2015 Bank of Italy Provision, treating the assets, liabilities, costs and revenues of special purpose vehicles incorporated pursuant to the Securitisation Law as off-balance sheet items.

Based on the general rules applicable to the calculation of net taxable income of a company, such taxable income should be calculated on the basis of the accounting, i.e. on-balance sheet, earnings, subject to such adjustments as 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 assignment to the Issuer of the Portfolios and the Securitisation. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate per la Lombardia* on 6 February 2003, Ruling No. 222 of 5 December 2003 Ruling No. 77/E of 4 August 2010 and Ruling No. 132 of March 2, 2021) on the grounds that the net proceeds generated by the Receivables may not be considered as legally available to the Issuer - insofar as any and all amounts deriving from the underlying assets of each of the securitisations are specifically destined to satisfy the obligations of such Issuer to the holders of the notes issued in the context of each such securitisation, to the other creditors of the Issuer and certain third party creditors in respect of each such securitisation in compliance with applicable law.

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

As confirmed by the tax authority (Ruling No. 222 issued by *Agenzia delle Entrate* on 5 December 2003), the interest accrued on the accounts held in the name of the Issuer with the Account Bank will be subject to withholding tax on account of corporate income tax. As of the date of this Prospectus, such withholding tax is levied at the rate of 26 per cent. and is to be imposed at the time of payment.

The above constitutes a risk given that new regulations, letters or rulings relating to the Securitisation Law

possibly issued by the Ministry of Finance and/or other competent authorities may affect the tax position of the Issuer and thus ultimately the operation of and/or the return expected on the transaction.

### **No gross-up will be made by the Issuer in case withholding tax applies on the Notes**

Payments of interest or Variable Return (as applicable) under the Notes may in certain circumstances be subject to withholding for or on account of tax. For example, according to Decree 239, any non-Italian resident beneficial owner of a payment of interest or Variable Return (as applicable) relating to the Notes who is (a) either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information or (b), 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 amounts of interest or Variable Return (as applicable) payable on the Notes net of Italian withholding tax or substitute tax. As at the date of this Prospectus such substitute tax is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty. For further details, see the section headed "*Taxation in the Republic of Italy*".

In the event that substitute tax is imposed in respect of payments to the Noteholders of amounts due pursuant to the Notes, the Issuer will not 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.

### **CATEGORY OF RISK FACTORS 7: OTHER RISKS**

#### **Change of Law may impact the Securitisation**

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings assigned to the Rated Notes are based on Italian law and tax and administrative practice in effect at the date hereof.

In the event of any change in the law and/or tax regulations and/or their official interpretations after the Issue Date, the performance of the Securitisation and the ratings assigned to the Rated Notes may be affected. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of any transaction described in this Prospectus or of any party under any applicable law or regulation.

The above constitutes a risk given that a different interpretation of any law applicable to the transaction may impose on the parties to the transaction additional requirements and thus ultimately affect the operation of and/or the return expected on the transaction.

#### **Political risk from the Russia – Ukraine Conflict**

Throughout 2021, the Russian military build-up along the border of Ukraine has escalated tensions between Russia and Ukraine and strained bilateral relations. These events are continuing nowadays after Russia commencing a full-scale military invasion of Ukraine in February 2022. On 21 February 2022, Russia recognised the independence of two separatist regions within Ukraine and ordered Russian troops into these regions with a purported mission to maintain peace in the area. Following the invasion of Ukraine, the EU and countries like the United States, UK, Switzerland, Canada, Japan, Australia and some other countries have made announcements regarding imposition of sanctions and sanctions have been implemented in the meantime. As at the date of this Prospectus, it is not possible to predict the broader consequences of the invasion, which could include further sanctions, export controls and embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains (including the supply of fuel from Russia) and financial markets, all of which could, either directly or indirectly, has an adverse impact on SFS Italia's business, financial condition and results of operations.

#### **Political risk from Middle East conflict**

On 7 October 2023 Hamas militants launched a surprise attack on southern Israel from the Gaza Strip. This led to a full-scale military operation by Israel in the Palestinian territory and an armed conflict between Israel and Hamas-led Palestinian militant groups. Such conflict is still ongoing.

As at the date of this Prospectus, it is not possible to predict the consequences of the above-mentioned conflict. Such consequences may include sanctions, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains and financial markets, all of which could, either directly or indirectly, have an adverse impact on SFS Italia's business, financial condition and results of operations.

### **Inflation**

In 2022-2023, inflationary pressures intensified as a result of a number of factors, including the revitalization of demand for consumer goods, labour shortages and supply chain issues, which in turn have affected fiscal and monetary policies. Among the risks that could negatively affect the economy and financial markets are (i) the increase in energy prices that can lead to further inflationary pressures; (ii) the breakdown of global supply chains; and (iii) tightening of monetary and public deficit policies. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not desire or be able to obtain financing. If recent and ongoing increases in inflation in key markets persist, there could be subsequent increases in the cost of borrowing and decreased availability of affordable credit for financing.

## OVERVIEW OF THE TRANSACTION

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

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

### 1. THE PRINCIPAL PARTIES

<b>Issuer</b>	<b>Auto ABS Italian Stella Loans S.r.l.</b> , a company incorporated under the laws of Italy as a limited liability company ( <i>società a responsabilità limitata</i> ) with sole quotaholder, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, quota capital of Euro 10,000.00, fully paid up, registration in the Register of Enterprises of Milan – Monza Brianza – Lodi, Fiscal Code and VAT No. 12996670969 and enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy 12 December 2023 under No. 48475.8. The Issuer has been established as a special purpose vehicle pursuant the Securitisation Law and may carry out securitisation transactions pursuant to such legislation, subject to Condition 3.2 ( <i>Further Securitisations</i> ). The Issuer has already carried out the Previous Securitisation.
<b>Seller, Servicer, Cash Manager and Junior Notes Subscriber</b>	<b>Stellantis Financial Services Italia S.p.A.</b> , a joint stock company ( <i>società per azioni</i> ), incorporated under the laws of Italy, whose registered office is located at Via Plava, 80, 10135, Turin, with VAT registration No. 08822460963, registered in the Register of Enterprises of Turin and in the special register held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act ( <b>SFS Italia</b> ).
<b>Corporate Servicer, Calculation Agent and Representative of the Noteholders</b>	<b>Zenith Global S.p.A.</b> , a joint stock company ( <i>società per azioni</i> ) incorporated under the laws of the Republic of Italy, with registered office at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, fully paid share capital of Euro 2,000,000, Fiscal Code and enrolment with the Register of Enterprises of Milan - Monza Brianza – Lodi No. 02200990980, belonging to the Arrow Global VAT Group No. 11407600961, enrolled under No. 30 with the register of financial intermediaries (" <i>Albo Unico</i> ") held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, ABI Code 32590.2 ( <b>Zenith</b> ).
<b>Back-Up Servicer Facilitator and RSF Reserve Advance Provider</b>	<b>Santander Consumer Finance S.A.</b> , a credit entity incorporated under the laws of Spain, registered with the Bank of Spain under No. 8236 having its registered offices at Ciudad Grupo Santander, Avda. De Cantabria, s/n, 28660, Boadilla del Monte, Madrid, Spain and with Spanish Tax Identification No. (NIF) A-28122570 ( <b>SCF</b> ).
<b>Account Bank and Paying Agent</b>	<b>BNP Paribas</b> , a bank incorporated under the laws of France, having its registered office at Boulevard des Italiens, No. 16, 75002 Paris, France, acting through its Italian branch, whose office is at Piazza

Lina Bo Bardi, No. 3, 20124 Milan, Italy (**BNP Paribas**).

**Servicer Collection  
Account Bank**

**UniCredit S.p.A.**, a bank incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Piazza Gae Aulenti No. 3, Tower A, 20154 Milan, Italy, share capital of Euro 21,220,169,840.48, (fully paid-up), registration with the Register of Enterprises of Milan - Monza-Brianza-Lodi, Fiscal Code and VAT No. 00348170101, Parent Company of the UniCredit Banking Group, registered with Code 2008.1 with the Register of the Banking Groups held by the Bank of Italy pursuant to article 64 of the Italian Banking Act (**UniCredit**).

**Quotaholder**

**Special Purpose Entity Management 2 S.r.l.**, a company incorporated under the laws of Italy, whose registered office is at Via Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, registration with the Register of Enterprises of Milan – Monza – Brianza – Lodi, Fiscal Code and VAT No. 11068370961 (**SPE Management**).

**Arrangers**

**Banco Santander, S.A.**, a credit entity incorporated under the laws of Spain as a sociedad anónima whose registered office is at Paseo de Pereda 9-12, 39004 Santander (Spain), and whose operating headquarters are in Ciudad Grupo Santander, Avda. De Cantabria, s/n, 28660 Boadilla del Monte, Madrid (Spain), registered with the Bank of Spain under No. 0049 and with Spanish Tax Identification No. (NIF) A-39000013 (**Banco Santander**).

**BofA Securities Europe SA**, a company organised under the laws of France and registered at 51 rue La Boétie, 75008 Paris under No. 842 602 690 RCS Paris (**BofA Securities**).

**Joint Lead Managers**

**Banco Santander.**

**BofA Securities.**

**Société Générale**, a bank incorporated under the laws of the Republic of France as a public limited company (*société anonyme*), having its registered office at 29, Boulevard Haussmann, 75009 Paris, France, enrolment with the companies' register of Paris under no. 552120222 (**Société Générale**).

**Interest Rate Swap  
Provider**

**Banco Santander.**

**Ownership or control  
relationships between  
the principal parties**

As at the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties indicated above, other than (i) the ownership of the Issuer by the Quotaholder as described in the section headed "*The Issuer*", (ii) the indirect ownership of the 50 per cent. of SFS Italia by SCF, as described in the section headed "*The Seller, the Servicer, the Cash Manager and the Junior Notes Subscriber*" and (iii) the direct and indirect ownership of 100 per cent. of SCF by Banco Santander.

**2. PRINCIPAL FEATURES OF THE NOTES**

**The Issue**

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

- (a) Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due December 2036 (the **Class A Notes** or the **Senior Notes**);
- (b) Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036 (the **Class B Notes**);
- (c) Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036 (the **Class C Notes**);
- (d) Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036 (the **Class D Notes**);
- (e) Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036 (the **Class E Notes**) and, together with the Class B Notes, the Class C Notes and the Class D Notes, the **Mezzanine Notes**; together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Rated Notes**); and
- (f) Euro 2,300,000 Class Z Asset Backed Variable Return Notes due December 2036 (the **Class Z Notes** or the **Junior Notes**, and together with the Senior Notes and the Mezzanine Notes, the **Notes**).

**Issue Price**

On the Issue Date, the Notes will be issued at an issue price of the following percentages of their principal amount upon issue:

- (a) 100% in respect of the Class A Notes;
- (b) 100% in respect of the Class B Notes;
- (c) 100% in respect of the Class C Notes;
- (d) 100% in respect of the Class D Notes; and
- (e) 100% in respect of the Class E Notes.

**Status**

The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Aggregate Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

**Credit Rating**

The Class A Notes are expected to be rated on issue "AAA(sf)" by DBRS and "AA(sf)" by Fitch.

The Class B Notes are expected to be rated on issue "AA(sf)" by DBRS and "AA(sf)" by Fitch.

The Class C Notes are expected to be rated on issue "A(high)(sf)"

by DBRS and "A(sf)" by Fitch.

The Class D Notes are expected to be rated on issue "A(sf)" by DBRS and "BBB+(sf)" by Fitch.

The Class E Notes are expected to be rated on issue "BBB(high)(sf)" by DBRS and "BB+(sf)" by Fitch.

The Class Z Notes will not be assigned a credit rating.

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

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended (the **EU CRA Regulation**), unless such rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or such rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under EU CRA Regulation, as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**), unless such rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or such rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

As at the date of this Prospectus, each of the Rating Agencies is established in the European Union, has more than 10 per cent. of the total market share pursuant to and for the purposes of Article 8d (1) of the EU CRA Regulation and is registered under the EU CRA Regulation, as evidenced in the latest update of the list published by the ESMA on its website (being, as at the date of this Prospectus, [www.esma.europa.eu](http://www.esma.europa.eu)). As at the date of this Prospectus, each of the Rating Agencies is not established in the UK but the ratings assigned by each of Fitch and DBRS are endorsed by Fitch Ratings Limited and DBRS Ratings Limited respectively, each of which is registered under the UK CRA Regulation, as evidenced in the latest update of the list published by FCA on its website (being, as at the date of this Prospectus, <https://register.fca.org.uk/s/>).

In accordance with Fitch's rating definitions:

- (a) 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to



foreseeable events;

- (b) 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings;
- (c) 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity; and
- (d) 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

In accordance with DBRS' long-term rating scale:

- (a) 'AAA' ratings denote highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events;
- (b) 'AA' ratings denote superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events;
- (c) 'A' ratings denote good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable; and
- (d) 'BBB' ratings denote adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

## **STS-Securitisation**

The Securitisation is intended to qualify as an STS-Securitisation within the meaning of Article 18 of the EU Securitisation Regulation. To this extent, the Securitisation has been structured so as to meet the Non-ABCP EU STS Requirements. In addition, as at the date of this Prospectus, the Securitisation meets also the ABCP EU STS Requirements. On or about the Issue Date, the Seller will notify ESMA that the Securitisation meets the Non-ABCP EU STS Requirements pursuant to Article 27(1) of the EU Securitisation Regulation (the **STS Notification**), so as to allow such Securitisation to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. Pursuant to Article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Seller of how each of the Non-ABCP EU STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website

(being, as at the date of this Prospectus, [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_stsre](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre)) (the **ESMA STS Register**).

The Notes can also qualify as STS under Regulation (EU) 2017/2402 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK Securitisation Regulation**) until maturity, *provided that* the Notes remain on the ESMA STS Register and continue to meet the EU STS Requirements.

The Seller has used the service of PCS, as verification agent authorised under Article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Securitisation with the EU STS Requirements (the **STS Verification**) and to prepare an assessment of the compliance of the Notes with the relevant provisions of Article 243 of the CRR (the **CRR Assessment** and, together with the STS Verification, the **STS Assessments**). It is expected that the STS Assessments prepared by PCS, will be available on the PCS website (being, as at the date of this Prospectus, <https://pcsmarket.org/transactions/>) together with a detailed explanation of its scope at <https://pcsmarket.org/disclaimer/>. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or will continue to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the date of this Prospectus or at any point in time in the future. The STS status of a transaction is not static and investors should verify the current status of the Securitisation on the ESMA STS Register.** None of the Issuer, the Seller, the Reporting Entity, the Arrangers, the Joint Lead Managers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-Securitisation under the EU Securitisation Regulation as at the date of this Prospectus nor at any point in time in the future.

#### **Approval, listing and admission to trading**

Application has been made to the CSSF, in its capacity as competent authority under the Luxembourg Act, for the approval of this Prospectus for the purposes of the Prospectus Regulation and the relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes and the Mezzanine Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the regulated market "*Bourse de Luxembourg*", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU.

The 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. By approving this Prospectus, CSSF shall give no undertaking as to the economic and financial opportuneness of the operation or the quality or solvency of the Issuer in accordance with

the provisions of Article 6(4) of the Luxembourg Act. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF has not reviewed nor approved any information regarding the Class Z Notes.

Any information in this Prospectus regarding the Class Z Notes is not subject to the CSSF's approval. The Class Z Notes are not being offered pursuant to this Prospectus and no application has been made or will be made to list the Class Z Notes on any stock exchange.

This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, <https://www.luxse.com/issuer/AutoABSStella/112914>).

**Denomination, form and title**

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

The Notes will be issued in bearer form (*al portatore*) and held in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. Euronext Securities Milan shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act.

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 provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Notes.

**Governing Law**

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

**Interest on the Senior Notes and the Mezzanine Notes**

The interest rate applicable from time to time to each of the Senior Notes and the Mezzanine Notes (the **Interest Rate**) for each Interest Period shall be:

- (a) in respect of the Class A Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 0.73 per cent. *per annum*, *provided that*, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class A Notes Interest Rate**);
- (b) in respect of the Class B Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 1.20 per cent. *per annum*, *provided that*, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class B Notes Interest Rate**);
- (c) in respect of the Class C Notes, a floating rate equal to EURIBOR (as determined in accordance with the

Conditions), plus a margin of 1.70 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class C Notes Interest Rate**);

- (d) in respect of the Class D Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 2.30 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class D Notes Interest Rate**); and
- (e) in respect of the Class E Notes, a floating rate equal to EURIBOR (as determined in accordance with the Conditions), plus a margin of 4.50 per cent. *per annum*, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class E Notes Interest Rate**).

The First Payment Date shall be the Payment Date falling in August 2024.

**Variable Return on the Junior Notes**

A Variable Return may be payable on the Class Z Notes on each Payment Date, in accordance with the Conditions.

The Variable Return payable on the Class Z Notes on each Payment Date will be equal to any Available Distribution Amount remaining after making all payments due under items from (1) *First to Twenty-fifth* (inclusive) of the Pre-Enforcement Interest Priority of Payments; (2) *First to Tenth* (inclusive) of the Pre-Enforcement Principal Priority of Payments; and (3) *First to Twenty-third* (inclusive) of the Post-Enforcement Priority of Payments, as the case may be, and may be equal to 0 (zero).

**Final Maturity Date**

Save as described below, unless previously redeemed in full in accordance with the Conditions, the Issuer will redeem the Notes at their Principal Amount Outstanding, together with any accrued but unpaid interest thereon, on the Final Maturity Date, being the Payment Date falling in December 2036.

**Tax**

All payments of principal and interest or Variable Return (as applicable) in respect of the Notes will be made by or on behalf of the Issuer without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy, unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction.

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

amounts of interest payable on the Notes or any Variable Return (if any) in respect of the Class Z Notes net of the Decree 239 Withholding.

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

**Mandatory redemption**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata* within each Class) on each Payment Date during the Amortisation Period in accordance with Condition 6.2 (*Redemption, Purchase and Cancellation – Mandatory redemption in whole or in part*), in each case, if, and to the extent that, on the relevant Payment Date there will be sufficient Available Distribution Amounts which can be applied for such purpose, in accordance with the applicable Priority of Payments.

**Optional redemption for Issuer Tax Event**

Subject as provided in Condition 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*), on any Payment Date prior to the service of a Trigger Notice, the Issuer may redeem at its option the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon), in accordance with the Post-Enforcement Priority of Payments, subject to the Issuer having sufficient funds to discharge its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) and any other payment ranking in priority to or *pari passu* therewith, in accordance with the Post-Enforcement Priority of Payments, if, by reason of a change in the laws of the Republic of Italy or the interpretation or administrative practice in respect thereof after the Issue Date:

- (a) *the patrimonio* separato of the Issuer in respect of the Securitisation becomes subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction; or
- (b) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law

or the interpretation or administration thereof; or

- (c) any amounts of interest payable on the Receivables to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction,

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

**Optional redemption for Clean Up Event**

Subject as provided in Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), on any Payment Date prior to the service of a Trigger Notice, if, as at the immediately preceding Determination Date, the aggregate Outstanding Balance of the Performing Receivables comprised in the Aggregate Portfolio is equal to or less than 10% of the Outstanding Balance of the Initial Portfolio as at the First Selection Date (the **Clean Up Event** and such relevant Payment Date, the **Clean Up Option Date**), the Issuer may redeem at its option (the **Clean Up Option**) the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon).

**Repurchase Option by the Seller following the occurrence of an Issuer Tax Event and/or a Clean Up Event**

Following the occurrence of an Issuer Tax Event and/or a Clean Up Event, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

**Optional redemption for regulatory reasons**

Subject as provided in Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*), upon:

- (a) an enactment or implementation of, or supplement or amendment to, or change in, any applicable law, policy, rule, guideline or regulation of any competent international, European or national body (including the European Central Bank, the Prudential Regulation Authority, the Bank of Italy or any other competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline; or
- (b) a notification by or other communication from an applicable regulatory or supervisory authority is received by the Seller with respect to the Securitisation,

which, in either case, occurs on or after the Issue Date and results in, or would in the reasonable opinion of the Seller (and as certified by the Seller to the Issuer and to the Representative of the Noteholders) result in, a material adverse change in the capital

treatment of the Notes or the capital relief afforded by the Notes or materially increasing the cost or materially reducing the benefit of the Securitisation, in either case, for the Seller or its affiliates, pursuant to applicable capital adequacy requirements or regulations as compared with the capital treatment or relief reasonably anticipated by the Seller on the Issue Date (each of such events, a **Regulatory Call Event**), the Issuer may, *provided that* no Trigger Notice has been served, on any Payment Date following the occurrence of a Regulatory Call Event (the **Regulatory Call Early Redemption Date**), redeem the Class B Notes, the Class C Notes and the Class D Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon), in accordance with the Pre-Enforcement Principal Priority of Payments, subject to the Issuer:

- (a) giving not less than 25 (twenty-five) days' notice to the Representative of the Noteholders (with copy to the Servicer, the Calculation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 14 (*Notices*) of its intention to redeem the Class B Notes, the Class C Notes and the Class D Notes (the **Regulatory Redemption Notice**); and
- (b) on or prior to the Regulatory Redemption Notice being given, delivering to the Representative of the Noteholders a certificate duly signed by the Issuer stating that the Regulatory Call Event cannot be avoided by taking reasonable measures and is continuing.

If after the Issuer having redeemed the Class B Notes, the Class C Notes and the Class D Notes (in whole but not in part), there would be sufficient funds to redeem also the Class E Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon), then the Regulatory Redemption Notice would be extended also to such Class E Notes.

For the avoidance of doubt, the Senior Notes (if still outstanding) and the Junior Notes will not be redeemed and will remain outstanding.

It is understood that the declaration of a Regulatory Call Event will not be prevented by the fact that, prior to the Issue Date (i) the event constituting any such Regulatory Call Event was announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the European Central Bank, the Prudential Regulation Authority or the European Union, or incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Issue Date, or expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Call Event or (ii) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction,

other than the Securitisation. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the capital treatment of the Notes or the capital relief afforded by the Notes for the Seller or its affiliates or an increase of the cost or reduction of benefits to the Seller or its affiliates of the Securitisation immediately after the Issue Date.

The Issuer will exercise the option to early redeem the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, pursuant to Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*) only subject to the Seller having agreed to provide the latter with the necessary funds for such redemption through the Seller Loan, in an amount equal to the Seller Loan Redemption Amount, in accordance with the terms of the Intercreditor Agreement.

Following the Regulatory Call Early Redemption Date, the parties to the Intercreditor Agreement have agreed to promptly execute and deliver all instruments, notices and documents and take all further action that the Issuer or the Seller may reasonably request including, without limitation, agreeing all necessary modifications, waivers and additions to the Transaction Documents required in order to, among others: (A) achieve, in respect of the parties to the Transaction Documents (other than, for the avoidance of doubt, the Seller) an equivalent economic effect as the position under the Transaction Documents on the date immediately prior to the Regulatory Call Early Redemption Date; and (B) reflect the advance by, and, without limitation, the repayment of the Seller Loan to, the Seller, *provided that* no such modifications, waivers and additions are materially prejudicial to the interests of the holders of the Class A Notes.

**Subordination between the Classes of Notes**

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Interest Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Class E Notes and the Class Z Notes, in each case, according to the following ranking:

- (a) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (b) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (c) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to



the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;

- (d) the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and Class C Notes;
- (e) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes; and
- (f) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Principal Available Distribution Amounts to fund its obligation to repay the principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and pay the Variable Return (if any) on the Class Z Notes, in each case, according to the following ranking:

- (a) during the Pro-Rata Amortisation Period:
  - (i) the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of the Class Z Notes; and
  - (ii) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (b) during the Sequential Redemption Period:
  - (i) the principal of the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class B Notes, the Class C Notes, the Class D Notes and the Variable Return of the Class Z Notes;
  - (ii) the principal of the Class B Notes will rank *pari*

- passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class C Notes, the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes;
- (iii) the principal of the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes and the Class B Notes;
  - (iv) the principal of the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes, the Class B Notes and the Class C Notes; and
  - (v) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Following the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Notes, in each case, according to the following ranking:

- (a) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (b) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (c) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;
- (d) the Class D Notes will rank *pari passu* and *pro rata* without

preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes;

- (e) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; and
- (f) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

### Security for the Notes

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 Aggregate Portfolio and the other Securitisation Assets are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor.

In addition, security over certain monetary rights of the Issuer arising out of the Interest Rate Swap Agreement has been granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Assignment for the benefit of the Noteholders and the Other Issuer Secured Creditors.

### Trigger Events

- (a) The occurrence of any of the following events shall constitute a **Trigger Event**:
  - (i) **Non payment:** the Issuer defaults in:
    - (1) the payment of any amount of interest due in respect of the Most Senior Class of Notes, and such default remains unremedied for 5 (five) Business Days from the due date thereof; or
    - (2) the full repayment of principal due in respect of any Class of Notes on the Final Maturity Date, and such default remains unremedied for 5 (five) Business Days from the due date thereof; or
    - (3) the payment of any amount of principal due and payable in respect of the Most Senior Class of Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Principal Available Distribution Amounts to make such payment of principal in accordance with the

Pre-Enforcement Principal Priority of Payments), and such default remains unremedied for 5 (five) Business Days (it being understood that, prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), if a Monthly Servicing Report Delivery Failure Event has occurred and is not remedied within 3 (three) Business Days from the Information Date (or such longer period as may be agreed between the Servicer and the Calculation Agent), no amount of principal will be due and payable in respect of the Notes); or

- (ii) **Breach of Obligations:** the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in paragraph (a) above) which is, in the Representative of the Noteholders' opinion, materially prejudicial to the interests of the Noteholders, and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (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 have to be given); or
- (iii) **Breach of Representations and Warranties:** any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents to which it is party proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 15 (fifteen) days after the Representative of the Noteholders has served notice requiring remedy (except where, in the sole opinion of the Representative of the Noteholders, the breach of the relevant representation is not capable of remedy in which case no notice requiring remedy will have to be given); or
- (iv) **Insolvency Proceedings:** an Insolvency Event occurs in respect of the Issuer; or

- (v) **Arrangement of indebtedness:** other than in respect of the Issuer Secured Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
  - (vi) **Unlawfulness:** it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.
- (b) Following the occurrence of a Trigger Event, the Representative of the Noteholders (in accordance with the terms of the Transaction Documents):
- (i) shall, in case of any of the Trigger Events set out under items (i), (iv), (v) and (vi) of paragraph (a) above;
  - (ii) shall, to the extent requested by an Extraordinary Resolution of the Noteholders of the Most Senior Class, in the case of any of the Trigger Events set out under items (ii) and (iii) of paragraph (a) above,
- serve a Trigger Notice to the Issuer (with copy to the Servicer, the Calculation Agent and the Rating Agencies).
- (c) Following the delivery of a Trigger Notice:
- (i) the Notes shall (subject to Condition 17 (*Non Petition and Limited Recourse*)) become immediately due and repayable at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), without any further action, notice or formality, and the Available Distribution Amounts shall be applied in accordance with the Post-Enforcement Priority of Payments; and
  - (ii) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) and article 24(17)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

By reason of holding one or more Notes, the Noteholders recognise,

as from the Issue Date and with effect on the date on which the Notes shall become due and repayable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

**Representative of the Noteholders**

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

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

Each of the Other Issuer Secured Creditors has agreed in the Intercreditor Agreement and each of the Noteholders will agree or will be deemed to agree by virtue of holding the Note(s), that in the exercise of its powers, authorities, duties and discretions the Representative of the Noteholders shall have regard to the interests of the Noteholders generally and shall also have regard to the interests of the Other Issuer Secured Creditors. However, (i) subject to the provisions of the Rules of the Organisation of the Noteholders concerning Basic Terms Modifications, if there is a conflict between the interests of the Noteholders of any Class, or between the interests of the Noteholders and the Other Issuer Secured Creditors, it shall have regard only to the interests of the holders of the Most Senior Class of Notes; and (ii) if there is a conflict between the interests of any of the Other Issuer Secured Creditors, it shall have regard only to the interests of the Issuer Secured Creditor the amounts owed to which rank highest in the relevant Priority of Payments.

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

The Representative of the Noteholders shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any Issuer Secured Creditor as a result of the performance of its duties save where such loss, liability, claim, expense or damage is

suffered or incurred as a result of any gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

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 any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders.

**Significant Investor**

Significant concentrations of holdings of the Senior Notes may occur. In holding some or all of the Senior Notes, any investor or investors collectively holding such concentrations may have a majority holding and, therefore, be able to pass Noteholders' resolutions, including Extraordinary Resolutions, or hold a sufficient minority to block Noteholders' resolutions or Extraordinary Resolutions.

In particular, it is expected that Euro 495,000,000 of the Principal Amount Outstanding of the Senior Notes will, promptly following issue, be held by two investors who will be subject to different economic terms from those set out herein in this Prospectus.

**Limitation to individual rights and non-petition**

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

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

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

**Cancellation Date**

The Notes will be cancelled on the Cancellation Date, being the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Servicer gives notice to the Issuer, the Representative of the Noteholders and the Noteholders that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising

from an enforcement of the Note Security or otherwise) being available to the Issuer.

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

### **3. THE AGGREGATE PORTFOLIO, THE SERVICING AND THE CASH MANAGEMENT ARRANGEMENTS**

#### **The Aggregate Portfolio**

The Receivables purchased on the First Purchase Date and to be purchased from time to time by the Issuer on each Subsequent Purchase Date are and will be monetary receivables arising out of Auto Loan Contracts (*contratti di finanziamento per l'acquisto di autoveicoli*), being loans governed by Italian law and granted by the Seller to Debtors for the purchase of Cars.

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

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

#### **Purchase Price**

The Purchase Price of each Portfolio assigned by the Seller to the Issuer under the Master Receivables Transfer Agreement will be equal to the aggregate of the Individual Purchase Prices of all the relevant Receivables comprised in the relevant Portfolio.

On the Issue Date, the Purchase Price of the Initial Portfolio, being equal to Euro 1,199,999,605.42 will be paid to the Seller out of the net proceeds of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes by crediting the relevant Purchase Price into the Seller Account.

Subject to the provisions of the Master Receivables Transfer Agreement, including without limitation the satisfaction of the conditions precedent applicable to each Subsequent Purchase Date, the Purchase Price of each Additional Portfolio assigned to the Issuer will be paid to the Seller on the Payment Date immediately succeeding the relevant Subsequent Purchase Date out of the



Available Distribution Amounts available for such purpose, in accordance with the Pre-Enforcement Principal Priority of Payments.

**Representations and Warranties**

Under the Master Receivables Transfer Agreement, the Seller has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself and the Receivables. Furthermore, pursuant to the Master Receivables Transfer Agreement, the Issuer may terminate the transfer of any Receivables in respect of which any of the representations or warranties given by the Seller prove to be false or incorrect in any material respect, in each case, in accordance with the terms provided thereunder.

**Servicing of the Aggregate Portfolio**

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

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

The Servicer has opened the Servicer Collection Account with the Servicer Collection Account Bank, for the purposes of Article 3, paragraph 2-ter of the Securitisation Law. Under the Servicing Agreement, the Servicer has undertaken to credit all Available Collections and Recoveries in respect of the Receivables to the Servicer Collection Account and to transfer all such Available Collections and Recoveries to the Collection Account by no later than the second Business Day following receipt of such amounts.

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

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

**Cash Allocation, Management and Payment Agreement**

Pursuant to the Cash Allocation, Management and Payment Agreement (i) the Account Bank has agreed to hold and operate the Issuer Accounts opened with it, and to provide the Issuer with account handling services in relation to moneys or securities from time to time standing to the credit of such accounts, (ii) the Cash Manager may invest in Eligible Investments the credit balance of any of the Issuer Accounts (other than the Expenses Account), (iii) the Calculation Agent has agreed to provide certain calculation, notification and reporting services to the Issuer, and (iv) the Paying

Agent has agreed, *inter alia*, to arrange on behalf of the Issuer for the payment of interest and repayment of principal on the Notes.

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

### **Eligible Investments**

Pursuant to the Cash Allocation, Management and Payment Agreement, at any time, unless the Issuer and/or the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) otherwise direct, the Cash Manager may invest in Eligible Investments the credit balance (or as much of the credit balance as is possible given the cost of the selected Eligible Investments) of the Issuer Accounts (other than the Expenses Account).

All Eligible Investments (other than cash invested in time deposit or any other investment which is incapable of being held in the Securities Account) made in accordance with the Cash Allocation, Management and Payment Agreement shall be credited to the Securities Account (if and once opened).

Each Eligible Investment shall mature no later than the relevant Eligible Investment Maturity Date.

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

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

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

**Eligible Investment** means:

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

other debt instruments, *provided that*:

- (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;
- (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment Maturity Date;
- (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

*provided that*, in all cases:

- (a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;
- (b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;
- (c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; provided that in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and
- (d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:
  - (i) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS'

- criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
- (ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and
- (e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
- (i) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
  - (ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

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

#### 4. PRIORITIES OF PAYMENTS AND CREDIT STRUCTURE

**Pre-Enforcement  
Interest Priority of**

Prior to the service of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and*

## Payments

*Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Interest Available Distribution Amounts, as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date (including, for the avoidance of doubt, on the Regulatory Call Early Redemption Date) in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *First, pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, to the extent that such costs, taxes and expenses have not been paid through the amounts standing to the credit of the Expenses Account during the immediately preceding Interest Period and (ii) all costs and taxes required to be paid to maintain the rating of the Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
- (b) *Second*, in or towards transfer into the Expenses Account of the amount (if any) necessary to bring the balance of such Account up to (but not exceeding) the Retention Amount;
- (c) *Third*, in or towards satisfaction of payment of the fees, expenses and all other amounts due and payable to the Representative of the Noteholders;
- (d) *Fourth, pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of:
  - (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer and the Back-Up Servicer Facilitator and any Other Issuer Secured Creditor (other than any amount provided by other items of this Pre-Enforcement Interest Priority of Payments); and
  - (ii) should a Successor Servicer be appointed, to pay all fees, costs, expenses and taxes due and payable to such Successor Servicer and/or in connection with its appointment, with the exclusion of any income tax or other general tax due in the ordinary course of business (collectively, the **Replacement Servicing Costs**), in each case solely to the extent

that the funds standing to the credit of the RSF Reserve Account are insufficient to settle such Replacement Servicing Costs;

- (e) *Fifth*, to pay all amounts (if any) due and payable to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
- (f) *Sixth, pari passu and pro rata*, in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;
- (g) *Seventh, pari passu and pro rata*, to the extent that (i) the Class B Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class B Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent. of the Principal Amount Outstanding of the Class B Notes, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;
- (h) *Eighth, pari passu and pro rata*, to the extent that (i) the Class C Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class C Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent. of the Principal Amount Outstanding of the Class C Notes, in or towards satisfaction of the Class C Notes Interest Amounts due and payable on such Payment Date;
- (i) *Ninth, pari passu and pro rata*, to the extent that (i) the Class D Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class D Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent of the Principal Amount Outstanding of the Class D Notes, in or towards satisfaction of the Class D Notes Interest Amounts due and payable on such Payment Date;
- (j) *Tenth*, in or towards payment into the General Reserve Account of an amount equal to the General Reserve Replenishment Amount;
- (k) *Eleventh*, in or towards reduction, in sequential order, of the debit balance of the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger and the Class D Principal Deficiency Sub-Ledger, in each case, in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Principal Available Distribution Amounts);
- (l) *Twelfth, pari passu and pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item

*Seventh* above);

- (m) *Thirteenth, pari passu and pro rata*, in or towards satisfaction of the Class C Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item *Eighth* above);
- (n) *Fourteenth, pari passu and pro rata*, in or towards satisfaction of the Class D Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item *Ninth* above);
- (o) *Fifteenth, pari passu and pro rata*, in or towards satisfaction of the Class E Notes Interest Amounts due and payable on such Payment Date;
- (p) *Sixteenth, pari passu and pro rata*, in or towards repayment of the Class E Notes Target Amortisation Amount until the Class E Notes are redeemed in full;
- (q) *Seventeenth, to pay, pari passu and pro rata*, any Subordinated Swap Amounts due and payable to the Interest Rate Swap Provider;
- (r) *Eighteenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement;
- (s) *Nineteenth, to pay* all amounts of interest due and payable to the Seller under the Seller Loan (if any);
- (t) *Twentieth, to pay* the Servicing Fees due and payable to SFS as Servicer;
- (u) *Twenty-first, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre-Enforcement Interest Priority of Payments);
- (v) *Twenty-second, if a RSF Reserve Funding Failure* has occurred and it has not been remedied prior to such Payment Date, to credit the RSF Reserve Account with the amount necessary to bring the balance of such account up to (but not exceeding) the Required Replacement Servicer Fee Reserve Amount;
- (w) *Twenty-third, to pay* any interest due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;

- (x) *Twenty-fourth*, to pay any principal due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (y) *Twenty-fifth, pari passu and pro rata*, in or towards repayment, of the Principal Amount Outstanding of the Class Z Notes until such Class Z Notes are redeemed in full (on each Payment Date other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class Z Notes not lower than Euro 1,000); and
- (z) *Twenty-sixth, pari passu and pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

**Pre-Enforcement  
Principal Priority of  
Payments**

Prior to the service of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Principal Available Distribution Amounts (other than the amounts set out in item (h) of such definition, which will form part of the Principal Available Distribution Amounts solely for the purposes of, and shall be applied only in accordance with, item *Fifth* of this Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date), as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date (including, for the avoidance of doubt, on the Regulatory Call Early Redemption Date) in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *First*, in or towards application of any Principal Addition Amounts to meet any Senior Expenses Deficit;
- (b) *Second*, if a Monthly Servicing Report Delivery Failure Event has occurred and is not remedied within 3 (three) Business Days from the Information Date (or such longer period as may be agreed between the Servicer and the Calculation Agent), in or towards payment or retention, as the case may be, of all the Principal Available Distribution Amounts into the Collection Account;
- (c) *Third*, during the Revolving Period:
  - (i) in or towards payment to the Seller of the amount due as Purchase Price in respect of any Additional Portfolio purchased under the Master Receivables Transfer Agreement; and
  - (ii) thereafter, in or towards payment or retention, as the case may be, of all remaining Principal Available



Distribution Amounts into the Collection Account;

- (d) *Fourth*:
- (i) during the Pro-Rata Amortisation Period, in or towards repayment, *pari passu* and *pro rata* according to the respective amounts thereof, of (i) any amount to be paid as principal on the Class A Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class A Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (ii) any amount to be paid as principal on the Class B Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class B Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iii) any amount to be paid as principal on the Class C Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class C Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iv) any amount to be paid as principal on the Class D Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class D Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); and (v) any amount to be paid as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date, until all such Class A Notes, Class B Notes, Class C Notes and Class D Notes are redeemed in full and any amount to be paid as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date has been paid in full; or
  - (ii) during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata* according to the respective amounts thereof, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are redeemed in full;
- (e) *Fifth*, on the Regulatory Call Early Redemption Date, to pay any amounts comprising the Regulatory Call Allocated Principal Amount in accordance with the Regulatory Call Priority of Payments;
- (f) *Sixth*, during the Sequential Redemption Period, in or

towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are redeemed in full;

- (g) *Seventh*, during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are redeemed in full;
- (h) *Eighth*, during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class D Notes until the Class D Notes are redeemed in full;
- (i) *Ninth*, during the Sequential Redemption Period, in or towards repayment, of any amount to be paid as principal to the Seller under the Seller Loan;
- (j) *Tenth*, during the Amortisation Period, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement, to the extent not paid under item *Eighteenth* of the Pre-Enforcement Interest Priority of Payments; and
- (k) *Eleventh*, *pari passu* and *pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

**Regulatory Call Priority of Payments**

On the Regulatory Call Early Redemption Date, the Regulatory Call Allocated Principal Amount will be applied by or on behalf of the Issuer in making payment or provision in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority below have been made in full:

- (a) *First*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are redeemed in full;
- (b) *Second*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are redeemed in full;
- (c) *Third*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class D Notes until the Class D Notes are redeemed in full; and
- (d) *Fourth*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class E Notes until the Class E Notes are redeemed in full;

subject to and in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

**Post-Enforcement  
Priority of Payments**

On each Payment Date following the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Available Distribution Amounts, as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (a) *First, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, to the extent that such costs, taxes and expenses have not been met by utilising the amounts standing to the credit of the Expenses Account during the immediately preceding Interest Period, (ii) all costs and taxes required to be paid to maintain the listing of the Senior Notes and the Mezzanine Notes and the rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
- (b) *Second*, in or towards transfer into the Expenses Account of the amount (if any) necessary to bring the balance of such Account up to (but not exceeding) the Retention Amount;
- (c) *Third*, in or towards satisfaction of the fees, expenses and all other amounts due to the Representative of the Noteholders;
- (d) *Fourth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction:
  - (i) of the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer, the Back-Up Servicer Facilitator and any Other Issuer Secured Creditor (other than any amount provided by other items of this Post-Enforcement Priority of Payments); and
  - (ii) should a Successor Servicer be appointed, to pay the Replacement Servicing Costs, in each case solely to the extent that the funds standing to the credit of the RSF Reserve Account are insufficient to settle such Replacement Servicing Costs;
- (e) *Fifth*, to pay, *pari passu and pro rata* according to the

respective amounts thereof, all amounts (if any) due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);

- (f) *Sixth, pari passu and pro rata*, in or towards satisfaction of all Class A Notes Interest Amounts due and payable on such Payment Date;
- (g) *Seventh, pari passu and pro rata*, in or towards redemption in full of the Class A Notes;
- (h) *Eighth, pari passu and pro rata*, in or towards satisfaction of all Class B Notes Interest Amounts due and payable on such Payment Date;
- (i) *Ninth, pari passu and pro rata*, in or towards redemption in full of the Class B Notes;
- (j) *Tenth, pari passu and pro rata*, in or towards satisfaction of all Class C Notes Interest Amounts due and payable on such Payment Date;
- (k) *Eleventh, pari passu and pro rata*, in or towards redemption in full of the Class C Notes;
- (l) *Twelfth, pari passu and pro rata*, in or towards satisfaction of all Class D Notes Interest Amounts due and payable on such Payment Date;
- (m) *Thirteenth, pari passu and pro rata*, in or towards redemption in full of the Class D Notes;
- (n) *Fourteenth, pari passu and pro rata*, in or towards satisfaction of all Class E Notes Interest Amounts due and payable on such Payment Date;
- (o) *Fifteenth, pari passu and pro rata*, in or towards redemption in full of the Class E Notes;
- (p) *Sixteenth, to pay, pari passu and pro rata* according to the respective amounts thereof, any Subordinated Swap Amounts due and payable to the Interest Rate Swap Provider;
- (q) *Seventeenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement;
- (r) *Eighteenth, to pay the Servicing Fees* due and payable to SFS as Servicer;
- (s) *Nineteenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of any and all outstanding fees, costs, liabilities and any other

expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post-Enforcement Priority of Payments);

- (t) *Twentieth*, if a RSF Reserve Funding Failure has occurred and it has not been remedied prior to such Payment Date, to credit the RSF Reserve Account with the amount necessary to bring the balance of such account up to (but not exceeding) the Required Replacement Servicer Fee Reserve Amount;
- (u) *Twenty-first*, to pay any interest due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (v) *Twenty-second*, to pay any principal due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (w) *Twenty-third, pari passu and pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class Z Notes until the Class Z Notes are redeemed in full; and
- (x) *Twenty-fourth, pari passu and pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

#### **Amortisation Events**

The occurrence of any of the following events during the Revolving Period constitutes an **Amortisation Event**:

- (a) a Sequential Redemption Event occurs; or
- (b) a Servicer Termination Event occurs; or
- (c) the Default Ratio Rolling Average, calculated on the relevant Calculation Date, is higher than 0.5%; or
- (d) the Delinquency Ratio for the immediately preceding Collection Period, calculated on the relevant Calculation Date, is higher than 5%; or
- (e) on any Payment Date, a debit balance remains outstanding on the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger or the Class D Principal Deficiency Sub-Ledger following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments; or
- (f) on any Payment Date, the amount standing to the credit of the General Reserve Account is lower than the General Reserve Required Amount following the relevant payments and/or provisions required to be made by the Issuer on such

date in accordance with the Pre-Enforcement Interest Priority of Payments; or

- (g) on any Payment Date, the amount of Principal Available Distribution Amounts standing to the credit of the Collection Account after application of item *Third* of the Pre-Enforcement Principal Priority of Payments exceeds 10 per cent. of the Outstanding Balance of the Initial Portfolio as of the First Selection Date for 3 consecutive Purchase Dates; or
- (h) the Issuer delivers a notice of redemption after the occurrence of an Issuer Tax Event, pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*).

Following the occurrence of an Amortisation Event the Revolving Period will be terminated, the Issuer shall refrain from purchasing any Additional Portfolio and, unless a Trigger Notice has been served in accordance with the Conditions, the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Interest Priority of Payments shall continue to apply.

**Payments to Connected Third Parties Creditors**

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay or provide for the amounts under item *First* (i) of the Pre-Enforcement Interest Priority of Payments or item *First* (i) of the Post-Enforcement Priority of Payments (as the case may be), *provided that*, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any accrued and unpaid expenses and any expenses falling due after such Payment Date.

**General Reserve**

The General Reserve will be funded by the Issuer as at the Issue Date by using the proceeds deriving from the issuance of the Class E Notes. To such end, on the Issue Date an amount equal to Euro 13,200,000 will be credited into the General Reserve Account as General Reserve Required Amount.

The General Reserve Account shall be credited on each Payment Date prior to the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes or the delivery of a Trigger Notice in accordance with the applicable Priority of Payments with such amount that would bring the balance standing to the credit of the General Reserve Account up to (but not exceeding) the General Reserve Required Amount applicable on that Payment Date.

The General Reserve Account shall be closed once the amounts

standing to the credit thereof have been fully withdrawn following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes or, following the delivery of a Trigger Notice, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

#### **RSF Reserve**

Following the occurrence of a RSF Reserve Funding Trigger Event, the RSF Reserve Advance Provider will establish the RSF Reserve by crediting to the RSF Reserve Account an amount equal to the Required Replacement Servicer Fee Reserve Amount.

The RSF Reserve will be used by the Issuer to pay the fees due to any Successor Servicer and certain other amounts due in connection with its appointment. The RSF Reserve's funds will be applied for such purpose outside the Priority of Payments.

If the RSF Reserve Advance Provider fails to comply with its funding obligations for any reason, then the Successor Servicer's fees and any other amounts due in connection with its appointment will be paid out of the Available Distribution Amounts, in accordance with the applicable Priority of Payments.

#### **Principal Deficiency Ledger**

The Issuer has established and will maintain with the Calculation Agent 1 (one) principal deficiency ledger (the **Principal Deficiency Ledger**), comprising the following 4 (four) principal deficiency sub-ledgers: (i) a principal deficiency sub-ledger in respect of the Class A Notes (the **Class A Principal Deficiency Sub-Ledger**); (ii) a principal deficiency sub-ledger in respect of the Class B Notes (the **Class B Principal Deficiency Sub-Ledger**); (iii) a principal deficiency sub-ledger in respect of the Class C Notes (the **Class C Principal Deficiency Sub-Ledger**); and (iv) a principal deficiency sub-ledger in respect of the Class D Notes (the **Class D Principal Deficiency Sub-Ledger**).

On each Calculation Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Calculation Agent will record:

- (a) any Principal Addition Amounts; and
- (b) the aggregate Outstanding Balance of any Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, such amount being calculated as at the relevant Default Date (the **Defaulted Amounts**),

as a debit to the Principal Deficiency Ledger in the following order:

- (a) *First*, to the Class D Principal Deficiency Sub-Ledger so long as, and to the extent that, the debit balance of the Class D Principal Deficiency Sub-Ledger is less than the Principal Amount Outstanding of the Class D Notes;

- (b) *Second*, to the Class C Principal Deficiency Sub-Ledger so long as, and to the extent that, the debit balance of the Class C Principal Deficiency Sub-Ledger is less than the Principal Amount Outstanding of the Class C Notes;
- (c) *Third*, to the Class B Principal Deficiency Sub-Ledger so long as, and to the extent that, the debit balance of the Class B Principal Deficiency Sub-Ledger is less than the Principal Amount Outstanding of the Class B Notes; and
- (d) *Fourth*, to the Class A Principal Deficiency Sub-Ledger so long as, and to the extent that, the debit balance of the Class A Principal Deficiency Sub-Ledger is less than the Principal Amount Outstanding of the Class A Notes.

After the adjustment of the Principal Deficiency Ledger on each Calculation Date and by reference to the adjusted amounts standing to the debit of the Principal Deficiency Ledger, on each Payment Date the Interest Available Distribution Amounts will be applied in accordance with item *Eleventh* of the Pre-Enforcement Interest Priority of Payments in full sequential order and in each case up to the amount which has been recorded as a debit on the relevant Principal Deficiency Sub-Ledger on the Calculation Date prior to such Payment Date: (a) towards any debit against the Class A Principal Deficiency Sub-Ledger, (b) towards any debit against the Class B Principal Deficiency Sub-Ledger, (c) towards any debit against the Class C Principal Deficiency Sub-Ledger, (d) towards any debit against the Class D Principal Deficiency Sub-Ledger, and, in each case, such amounts will, for the avoidance of doubt, thereupon become Principal Available Distribution Amounts.

**Available Distribution Amounts**

**Available Distribution Amounts** means, in relation to each Payment Date, the aggregate of all: (i) Interest Available Distribution Amounts; and (ii) Principal Available Distribution Amounts.

**Interest Available Distribution Amounts** means, in respect of any Payment Date, the aggregate of the following amounts (without double counting):

- (a) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period, net of any amount allocated pursuant to item (i) of the Principal Available Distribution Amounts in respect of such Payment Date;
- (b) any other interest amounts paid by the Seller to the Issuer under or with respect to the Master Receivables Transfer Agreement and any other interest amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, in each case as collected during the immediately preceding Collection Period;
- (c) the income received in respect of the Eligible Investments (if any) made, following liquidation thereof on the immediately



preceding Eligible Investments Maturity Date;

- (d) the General Reserve in the following amounts:
  - (i) on each Payment Date prior to the date identified under paragraph (ii) below, the General Reserve as at each such Payment Date in full; and
  - (ii) on the earlier of
    - (1) the Final Maturity Date;
    - (2) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and
    - (3) the Payment Date following the delivery of a Trigger Notice,  
  
the General Reserve as at each such Payment Date, in an amount (if any) equal to the positive difference (if any) between the following amounts as at such date: (A) the aggregate amounts payable under items *First* to *Sixteenth* of the Pre-Enforcement Interest Priority of Payments (with the exception of item *Tenth*) and (B) the Interest Available Distribution Amounts (net of the General Reserve);
- (e) all amounts of positive interest accrued and paid on the Issuer Accounts, other than the Expenses Account and the RSF Reserve Account, during the immediately preceding Collection Period, net of any applicable withholding or expenses;
- (f) payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period, excluding those amounts constituting Principal Available Distribution Amount and excluding any RSF Reserve Funding Advances;
- (g) any amounts received by the Issuer under the Interest Rate Swap Agreement and, only to the extent that an Interest Rate Swap Provider Default occurs, or when the early termination has been designated as a consequence of a "Termination Event" (as this term is defined in the Interest Rate Swap Agreement) in which the Interest Rate Swap Provider is the "Affected Party" (as this term is defined in the Interest Rate Swap Agreement) and the Interest Rate Swap

Agreement is early terminated, the following amounts: (i) any amounts held by the Issuer as collateral; or (ii) if the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination is payable by the Issuer to the Interest Rate Swap Provider and the amounts held by the Issuer as collateral are higher than such amount, the amount of collateral held which exceeds the amount payable to the Interest Rate Swap Provider. For the avoidance of doubt, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination shall be paid by the Issuer to the Interest Rate Swap Provider using the Collateral Amounts held by the Issuer. In the event that such Collateral Amounts are not sufficient, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination (or the part of that amount not covered by the collateral held by the Issuer) shall be paid according the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments, as applicable;

- (h) the interest component of the purchase price received by the Issuer in relation to the sale and/or repurchase of any Receivables (other than Defaulted Receivables) made during the immediately preceding Collection Period;
- (i) any Recoveries, including any purchase price received in relation to the sale and/or repurchase of any Defaulted Receivables, received by the Issuer in respect of any Defaulted Receivables during the Collection Period immediately preceding such Calculation Date;
- (j) any Principal Available Distribution Amounts to be allocated in or towards provision of the Interest Available Distribution Amounts on such Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments and the Transaction Documents;
- (k) on the Regulatory Call Early Redemption Date only, the Seller Loan Interest Redemption Amount;
- (l) the principal components received by the Issuer in respect of the Receivables described under item (a) of the Principal Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Principal Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item; and
- (m) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Distribution Amounts.

**Principal Available Distribution Amounts** means in respect of any

Payment Date, the aggregate of the following amounts (without double counting):

- (a) the principal components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period and net of any amount allocated pursuant to item (j) of the Interest Available Distribution Amounts in respect of such Payment Date;
- (b) the amounts allocated under item *Eleventh* of the Pre-Enforcement Interest Priority of Payments out of the Interest Available Distribution Amounts;
- (c) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items *Second* and *Third* of the Pre-Enforcement Principal Priority of Payments, if any;
- (d) payments made to the Issuer by the Seller pursuant to the Master Receivables Transfer Agreement during the immediately preceding Collection Period in respect of indemnities or damages for breach of representations or warranties;
- (e) the principal component of the purchase price received by the Issuer in relation to the sale and/or repurchase of any Receivables (other than Defaulted Receivables) made in accordance with the Master Receivables Transfer Agreement during the immediately preceding Collection Period;
- (f) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such date (net of an amount equal to any accrued and unpaid expenses and any expenses falling due after such Payment Date which will be retained in the Expenses Account);
- (g) on the earlier of
  - (i) the Final Maturity Date;
  - (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and
  - (iii) the Payment Date following the delivery of a Trigger Notice,

the General Reserve as at each such Payment Date in full,

net of the amount (if any) identified under paragraph (d)(ii) of the definition of "*Interest Available Distribution Amounts*".

- (h) on the Regulatory Call Early Redemption Date only, the Seller Loan Principal Redemption Amount, which will be applied solely in accordance with item *Fifth* of the Pre-Enforcement Principal Priority of Payments on such Regulatory Call Early Redemption Date; and
- (i) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) described under item (a) of the Interest Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Interest Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item.

## 5. OTHER PRINCIPAL TRANSACTION DOCUMENTS

**Intercreditor Agreement** Pursuant to the Intercreditor Agreement, the Other Issuer Secured Creditors have agreed, *inter alia*, to the cash flow allocation of the proceeds in respect of the Aggregate Portfolio.

Under the Intercreditor Agreement, the Other Issuer Secured Creditors have acknowledged the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the other Transaction Documents.

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

Under the Intercreditor Agreement, the Seller has undertaken that it will:

- (a) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5 (five) per cent. in the Securitisation through an interest in randomly selected exposures, in accordance with option (c) of Article 6(3), of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and of Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures). Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised

exposures as at each relevant Purchase Date;

- (b) not change the manner in which the net economic interest set out above is held until the Notes are redeemed or repaid in full, save as permitted by the EU Securitisation Regulation and the applicable Regulatory Technical Standards and by the UK Securitisation Regulation (as such regulation is interpreted and applied on the date hereof and not taking into account any relevant national measures);
- (c) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with Article 6(3)(c) of the EU Securitisation Regulation and Article 6(3)(c) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures) and give relevant information to the Noteholders, prospective transferee of the Notes and the competent authorities in this respect on a monthly basis through the Sec Reg Investor Report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement;
- (d) notify to the Noteholders any change to the manner in which the material net economic interest set out above is held; and
- (e) not to split the material net economic interest held by it amongst different types of retainers; such material net economic interest is not to be subject to any credit-risk mitigation or hedging, in accordance with Article 6, paragraph 3, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures).

Pursuant to the Intercreditor Agreement the Seller has been designated as Reporting Entity in accordance with Article 7(2) of the EU Securitisation Regulation. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third subparagraph of Article 27(1) of the EU Securitisation Regulation.

#### **Quotaholder's Agreement**

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

**Deed of Assignment**

Pursuant to the Deed of Assignment, the Issuer has granted, *inter alia*, an English law assignment by way of security of all the Issuer's right, title, benefit and interest from time to time in and to the Interest Rate Swap Agreement, in favour of the Representative of the Noteholders for itself and as security trustee for the Noteholders and the Other Issuer Secured Creditors.

**Interest Rate Swap Agreement**

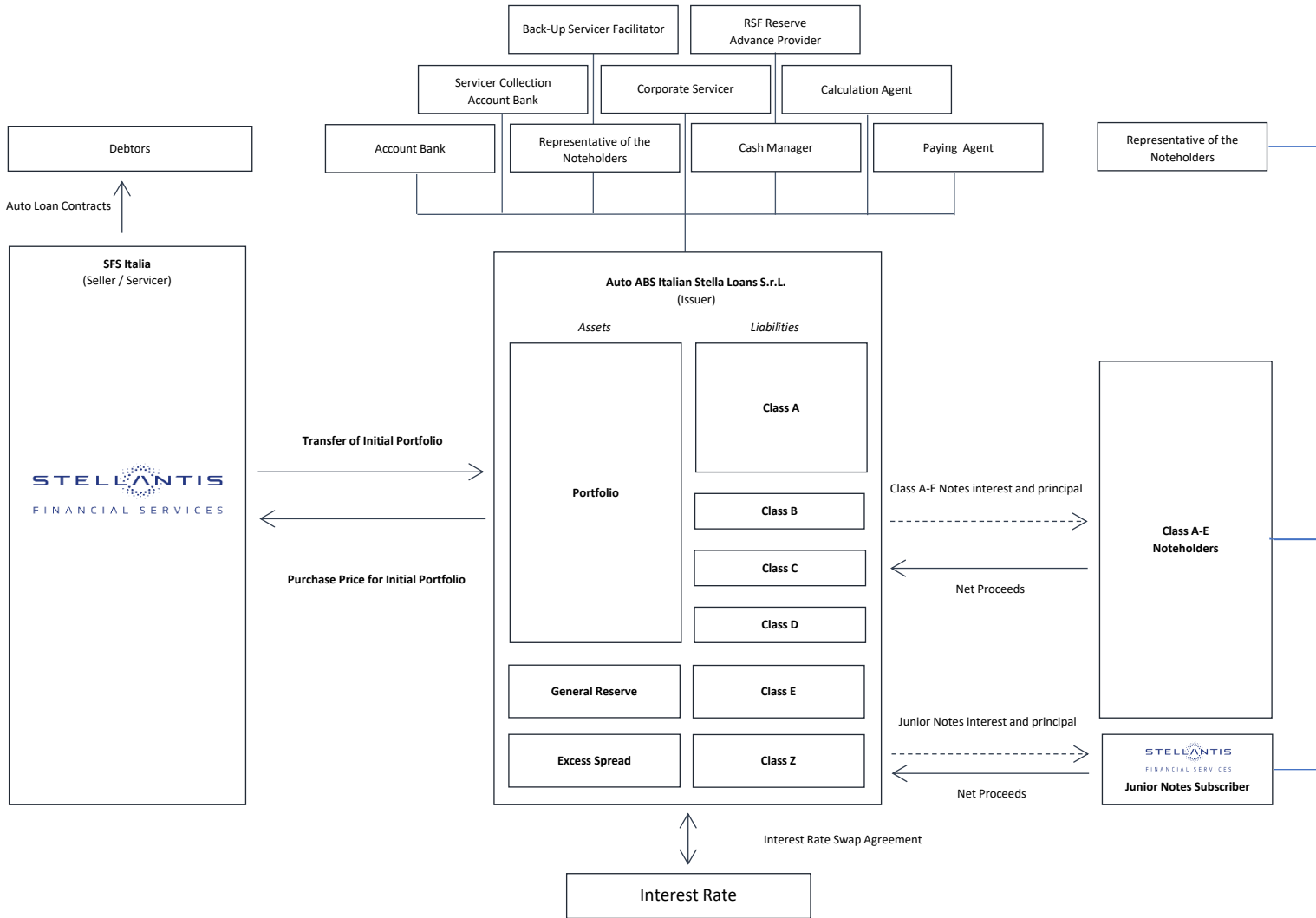
In order to hedge its interest rate exposure in relation to its floating rate interest obligations under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and appropriately mitigate the interest rate risk connected therewith pursuant to Article 21(2) and Article 24(12) of the EU Securitisation Regulation, the Issuer entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider in the form of an ISDA 2002 Master Agreement (together with the schedule thereto, the relevant credit support annex and the relevant confirmations).

**Corporate Services Agreement**

Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide the Issuer with certain corporate administrative services including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Receivables.

## TRANSACTION DIAGRAM

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



## THE AGGREGATE PORTFOLIO

The Receivables purchased on the First Purchase Date and to be purchased from time to time by the Issuer on each Subsequent Purchase Date are and will be monetary receivables arising out of Auto Loan Contracts (*contratti di finanziamento per l'acquisto di autoveicoli*), being loans governed by Italian law and granted by the Seller to Debtors for the purchase of Cars.

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

The purchase by the Issuer from the Seller of Additional Portfolios is subject to the satisfaction of certain conditions precedent provided for by the Master Receivables Transfer Agreement, including, among others, the circumstance that no Amortisation Event has occurred or will occur due to the proposed purchase.

The Receivables backing the Notes have characteristics that (taken together with the structural features of the Securitisation and the arrangements entered into or to be entered into in accordance with the Transaction Documents) demonstrate capacity to produce funds to service any payments due and payable on the Notes in accordance with the Conditions. However, in this respect prospective investors should also consider both the characteristics of the Aggregate Portfolio and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Notes may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Prospectus, including, without limitation, under the section headed "Risk Factors".

A portion of the Initial Portfolio of approximately Eur 400,000,000 will be made out of auto loans receivables originated by SFS Italia which have been (i) already securitised under a previous securitisation deal (the so called "Rainbow 2020" securitisation) having been unwounded and (ii) thereafter, repurchased by SFS Italia in connection with such unwinding.

### Eligibility Criteria

#### Contracts Eligibility Criteria

In accordance with the Master Receivables Transfer Agreement, the Auto Loan Contract from which each Receivable offered for purchase to the Issuer arises must meet all the following Contracts Eligibility Criteria on the relevant Selection Date and the relevant Purchase Date:

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



- (ii) the applicable legislation regarding usury and personal data protection;
- (c) where the Auto Loan Contract has been executed with several Debtors, these Debtors are jointly liable (*debitori solidali*) for the full payment of the corresponding Receivable;
- (d) each Debtor was resident, or, in case of a Commercial Debtor, had its registered office, in the Republic of Italy as of the signature date of the Auto Loan Contract;
- (e) the Auto Loan Contract constitutes the legal, valid, binding and enforceable contractual obligations of the Seller and the relevant Debtor(s) and has been performed in compliance with all the applicable laws and regulations in Italy, is not contrary to any laws and regulations and public policies applicable in Italy and the relevant Receivable (including any related Ancillary Right) was originated in accordance with the applicable laws and regulations in Italy (in each case, to the extent a breach of any such laws and regulations would affect the validity and/or enforceability of the relevant Receivable or any related Ancillary Right);
- (f) the Auto Loan Contract does not contain legal flaws making it avoidable, rescindable, or subject to legal termination;
- (g) the Auto Loan Contract (i) was executed by the Seller in its ordinary course of business and pursuant to its normal procedures in respect of the acceptance of and extension of auto financing loans, (ii) within the scope of its normal or habitual credit activity and (iii) has been managed in accordance with the Servicing Procedures;
- (h) to the best of the knowledge of the Seller, the Auto Loan Contract is not subject to a termination or rescission procedure started by the Debtor;
- (i) the Seller has not begun a rescission claim on the Auto Loan Contract for a breach by the Debtor(s) of its (their) obligations under the terms of the Auto Loan Contract and namely for the timely payment of the Instalments;
- (j) no authorization of deferred payment of principal and interest is provided in the Auto Loan Contract;
- (k) the Auto Loan Contract has been executed for the financing of only one Car (so as to ensure an identical number of Auto Loan Contracts, Receivables and financed Cars);
- (l) the Debtor under the Auto Loan Contract from which the Receivable arises is a Retail Customer;
- (m) each Auto Loan Contract is either a Standard Auto Loan Contract or a Balloon Auto Loan Contract;
- (n) each Auto Loan has been entirely drawn and paid in accordance with the relevant Auto Loan Contract, and there are no residual disbursement obligations for the Seller under the relevant Auto Loan Contract;
- (o) the Auto Loan Contract is subject to Italian Law and Italian courts have exclusive jurisdiction over any claims arising therefrom;
- (p) the Auto Loan Contract from which the Receivable arises has a fixed Effective Interest Rate equal to or higher than 1.5%;
- (q) the Auto Loan Contract was executed in connection with the sale of (i) a New Car of a Stellantis brand, or (ii) a Used Car;
- (r) the Debtor is not (i) a member of the personnel of SFS Italia or a Car Dealer, or (ii) an Italian public entity (*ente pubblico*);
- (s) the Auto Loan Contract has an original term to maturity of not more than 96 months;
- (t) the Auto Loan Contract has a residual maturity less than or equal to six years;

- (u) the Auto Loan Contract has not been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Receivable;
- (v) the loan to value ratio (corresponding to the original financed amount divided by the purchase price of the relevant Car, including options, up-front fees and VAT) of the Auto Loan Contract is not more than 100%;
- (w) the payment of the Receivable is made by the Debtor through postal bulletin (*bollettino postale*) or direct debit;
- (x) the Seller has not taken any deposit from the Debtor;
- (y) the relevant Car has been delivered to the Debtor;
- (z) the relevant Insurance Policy complies with applicable laws and regulations; and
- (aa) with reference to the Balloon Auto Loan Contracts, each Balloon Auto Loan Contract has a Balloon Instalment equal to or lower than 70% of the vehicle's sale price.

#### Receivables Eligibility Criteria

In accordance with the Master Receivables Transfer Agreement, each Receivable offered for purchase to the Issuer must satisfy, on the relevant Selection Date and the relevant Purchase Date (or, with respect to item (d), (j) and (k) below, on the relevant Selection Date only), the following Receivables Eligibility Criteria:

- (a) the Receivable is denominated and payable in Euro;
- (b) the Receivable gives rise to constant monthly Instalments of principal and interest at the relevant Contractual Interest Rate after its relevant Selection Date for each phase of the amortisation plan, *provided that* there will be no more than two phases, with the sole exception, with reference to the Balloon Auto Loan Contracts only, of the final larger Balloon Instalment;
- (c) the Outstanding Balance of the Receivable is comprised between Euro 600 and Euro 250,000;
- (d) at least 1 (one) Instalment has been paid by the Debtor under the relevant Auto Loan Contract;
- (e) the Auto Loan Contract has at least 2 (two) remaining Instalments not yet payable;
- (f) the Receivable is existing in the relevant outstanding amount specified in the list of Receivables attached to the relevant Transfer Offer and arises from an Auto Loan Contract meeting the Contracts Eligibility Criteria;
- (g) the Seller has full title to the Receivable and the Ancillary Rights and the Receivable and its Ancillary Rights are not subject, either totally or partially, to assignment, delegation or pledge, attachment, claim, set-off rights or encumbrance of whatever type such that there is no obstacle to the assignment of the Receivable and its Ancillary Rights and there is no restriction on the assignability of the Receivable (including, but not limited to, (i) the need for consent for assignment to any third party whether arising by operation of law, by contractual agreement or otherwise, and (ii) any confidentiality provision which may restrict the Issuer's rights as owner of the Receivable) to the Issuer and the Receivable may be validly assigned to the Issuer in accordance with the Master Receivables Transfer Agreement; the Seller has not waived any of its rights under the Auto Loan Contract, the Receivable or the relevant Ancillary Rights;
- (h) the Receivable and the Ancillary Rights constitute valid and enforceable rights of the Seller and the Obligor has no right to oppose any defence or counterclaim to the Seller in respect of the payment of any amount that is, or shall be, payable under the Receivable and, more generally, the Receivable is

free and clear of any right that could be exercised by third parties against the Seller or the Issuer;

- (i) to the best of the knowledge of the Seller, the Receivable does not result from a behaviour constituting fraud, error, non-compliance with or violation of any laws or regulations in effect, which would allow the Obligor not to perform any of its obligations in connection with such Receivable;
- (j) the Receivable is not a Delinquent Receivable;
- (k) the Receivable is not a Defaulted Receivable, has not been accelerated and more generally is not doubtful, subject to litigation or frozen and does not include exposures in default within the meaning of article 178(1) of the CRR;
- (l) the Receivable is individualised and identified in the information systems of the Seller, as at the Purchase Date, in such manner as to give third parties the means to individualise and identify the Receivables and the relevant Obligors at any time on or after the Purchase Date;
- (m) to the best knowledge of the Seller, the Receivable has not been the subject of a writ being served by the relevant Debtor or by any other third party (including, but not limited to, any public authority, local government or governmental agency of any State or any sub-division thereof) on any ground whatsoever, and are not subject, in whole or in part, to any prohibition on payment, protest, lien, cancellation right, suspension of payments, set-off, counter claim, judgement, claim, refund or any other similar events which are likely to reduce the amount due in respect of the Receivable, and there are not, in whole or in part, any such existing or potential prohibition on payment, protest, lien, cancellation right, suspension of payments, set-offs, counter claim, judgement, claim, refund or similar events; in particular, no Debtor can bring a claim against the Seller (or any entities succeeding to the rights of Seller) for the payment of any amounts relating to the relevant Receivable including any set-off claims between payments in respect of the Receivable and payments in respect of the Insurance Policies and the Financed Services;
- (n) the Receivable is fully and directly payable to the Seller, in its own name and for its own account;
- (o) all the relevant information relating to the Receivable provided to the Issuer is complete, true, accurate and up-to-date;
- (p) the payments due from each Debtor in connection with the Receivable are not subject to withholding tax;
- (q) the Receivable does not include derivatives, pursuant to articles 21(2) and 24(12) of the EU Securitisation Regulation; and
- (r) the Receivable does not include any securitisation position, pursuant to articles 20(9) and 24(8) of the EU Securitisation Regulation.

#### Global Portfolio Limits

In accordance with the Master Receivables Transfer Agreement, on each Purchase Date, the purchase of any Receivable, when aggregated with all the other Receivables comprised in the Aggregate Portfolio and after taking into account all Receivables to be purchased on such Purchase Date (with the exception of the limit set forth under 6. below), shall not cause the Aggregate Portfolio to breach any of the following limits:

- (a) the Outstanding Balance of the Performing Receivables relating to one Debtor does not exceed 0.1% of the Outstanding Balance of all Performing Receivables;
- (b) the Outstanding Balance of the Performing Receivables relating to the 10 largest Debtors does not exceed 1% of the Outstanding Balance of all Performing Receivables;
- (c) the average remaining maturity of as the Performing Receivables (including the Receivables

comprised in the Additional Portfolio purchased as at the relevant Subsequent Purchase Date), weighted by their respective Outstanding Balance, is not higher than 48 months;

- (d) the Outstanding Balance of the Performing Receivables arising from Auto Loan Contracts relating to the financing to Commercial Debtors does not exceed 10% of the aggregate Outstanding Balance of all the Receivables;
- (e) the Outstanding Balance of the Performing Receivables arising from Auto Loan Contracts relating to the financing Used Cars does not exceed 15% of the aggregate Outstanding Balance of all the Receivables;
- (f) the average Effective Interest Rate of the Receivables comprised in the Additional Portfolio purchased as at the relevant Subsequent Purchase Date, weighted by their respective Outstanding Balance is greater than or equal to 8%;
- (g) the Outstanding Balance of the Performing Receivables relating to Auto Loan Contracts granted to Debtors located/resident in the Italian regions of Puglia, Campania, Basilicata, Calabria, Sicilia and Sardinia, does not exceed 35% of the Outstanding Balance of all Performing Receivables;
- (h) the Outstanding Balance of the Performing Receivables arising from Auto Loan Contracts whose Debtors do not pay by direct debit (R.I.D.) does not exceed 10% of the Outstanding Balance of all Performing Receivables;
- (i) the Outstanding Balance of Performing Receivables arising from Balloon Auto Loan Contracts does not exceed 65% of the aggregate Outstanding Balance of all the Receivables; and
- (j) the Outstanding Balance of the Performing Receivables arising from Auto Loans having an amortisation plan with two phases of constant monthly Instalments of principal and interest does not exceed 5% of the aggregate Outstanding Balance of all the Receivables.

Any reference in the preceding paragraphs 1 to 10 to "the Receivables" and "the Performing Receivables" is, unless otherwise stated, to "all the Receivables comprised in the Aggregate Portfolio" and "all Performing Receivables comprised in the Aggregate Portfolio", respectively.

### **Insurance Policies**

Certain Debtors have entered into the Insurance Policies with the Insurance Companies. Any indemnity paid by the relevant Insurance Company to the relevant Debtor as beneficiary under any Insurance Policy may be used by the relevant Debtor to pay the amounts due in relation to the relevant Receivables.

### **Primary characteristics of the Aggregate Portfolio**

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

### **Statistical Information regarding the Aggregate Portfolio**

The statistical information set out in the following tables shows the characteristics of the Initial Portfolio with an Aggregate Outstanding Loan Principal Amount of EUR 1,199,999,605.42 as of 17 June 2024 (columns of percentages may not add up to 100% due to rounding).

The Initial Portfolio assigned by the Seller to the Issuer on the First Purchase Date has been randomly selected on the First Selection Date from a pool of Receivables complying with the Eligibility Criteria.

In addition:

- (a) the composition of the Aggregate Portfolio will be modified as a result of the purchase of Additional Portfolios, the amortisation of the Receivables, any prepayments, any losses related to the

Receivables, any retransfer or repurchase of Receivables or the renegotiations entered into by the Servicer in accordance with the Servicing Procedures; and

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

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

All the Receivables derive from Auto Loans.

Under the Auto Loans the relevant Debtor shall pay:

- (a) equal monthly instalments over the life of the relevant Auto Loan; plus
- (b) with reference to the Balloon Auto Loan Contracts, a Balloon Instalment equal to a predetermined minimum guaranteed value/amount determined as at the outset of the Balloon Auto Loan Contract.

The Auto Loans may be granted under either Standard Auto Loan Contracts or Balloon Auto Loan Contracts. In addition, Balloon Auto Loan Contracts can be of two different types, being VFG Balloon Auto Loan Contracts and Final Instalment Balloon Auto Loan Contracts.

#### **VFG BALLOON AUTO LOAN CONTRACTS**

Under the VFG Balloon Auto Loan Contracts, the Debtors have three alternative options:

- (a) **OPTION A**: upon expiry of the Auto Loan and within the last instalment's due date, transfer the ownership of the vehicle to the same dealer from which the Debtor purchased it, in order to purchase a new vehicle; or
- (b) **OPTION B**: within the expiry of the Auto Loan and within the last instalment's due date, pay to the Seller the amount of the Balloon Instalment and keep the vehicle; alternatively, the Debtor may request the Seller (via a letter with receipts of return to be sent within 60 days from the due date of the Balloon Instalment) to grant an extension of the Auto Loan and consequently dividing the payment of the Balloon Instalment into several additional instalments; or
- (c) **OPTION C**: upon expiry of the Auto Loan and within the last instalment's due date, transfer the ownership of the vehicle to the same dealer from which the Debtor purchased it, without purchasing a new vehicle.

#### **OPTION B**

Pursuant to the VFG Balloon Auto Loan Contracts, in case of exercise of Option B, the Debtor is discharged under the relevant VFG Balloon Auto Loan Contract only upon payment to the Seller of the Balloon Instalment (*provided that* the Debtor has duly paid all the instalments accrued so far).

In case the payment of such Balloon Instalment is refinanced by the Debtor, the Debtor will be released of its obligation to pay the Balloon Instalment to SFS Italia only once the latest refinanced instalment has been paid by it in accordance with the new amortization plan agreed between the Debtor and the Seller upon the refinancing.

The monetary claims for the payment of the Balloon Instalment by the Debtor under the VFG Balloon Auto Loan Contracts are existing receivables (*crediti esistenti*) – also in case the payment of such Balloon Instalment

is refinanced by the Debtor— and are assigned to the Issuer under the Master Receivables Transfer Agreement. In fact, pursuant to the VFG Balloon Auto Loan Contracts the relevant debt/loan has already been disbursed by the Seller to the Debtor and the Debtor has agreed (and is obliged) to pay it.

### **OPTIONS A AND C**

Pursuant to the VFG Balloon Auto Loan Contracts, the obligation to pay the Balloon Instalment vis-à-vis the Seller is undertaken by the Car Dealer and therefore the Debtor is discharged of such obligation under the relevant VFG Balloon Auto Loan Contract only once all of the following conditions are satisfied:

- (a) the Debtor has elected to exercise either OPTION A or OPTION C by sending to the dealer a letter with receipt of return within 60 days from the Balloon Instalment's due date;
- (b) the Debtor has regularly paid all the instalments accrued at the moment of the exercise by it of either OPTION A or OPTION C under the relevant VFG Balloon Auto Loan Contract;
- (c) the Car Dealer delivers to the Debtor the relevant handover minutes and the Debtor thus pays to the Car Dealer the possible residual amount for excessive mileage and/or damages as agreed upon with the Car Dealer;
- (d) the Vehicle underwent all the maintenance activities as provided for in the maintenance plan set forth by the manufacturer;
- (e) the vehicle did not suffer damages exceeding 50% of its value; and
- (f) the ownership of the Vehicle is transferred by the Debtor to the Car Dealer.

In that respect, it must be noted that:

- (a) the discharge of the Debtor for the payment of the Balloon Instalment is not dependent upon the effective sale of the vehicle and/or the amount of the proceeds of the sale of the vehicle by the Car Dealer; and
- (b) the monetary claims for the payment of the Balloon Instalment by the Car Dealer under the VFG Balloon Auto Loan Contracts are existing receivables (*crediti esistenti*) and are assigned to the Issuer under the Master Receivables Transfer Agreement. In fact, pursuant to the VFG Balloon Auto Loan Contracts the relevant debt/loan has already been disbursed by the Seller to the Debtor and the Debtor has agreed (and is obliged) to pay it, and therefore there is only a change as to person/entity that pays such amount.

### **FINAL INSTALMENT BALLOON AUTO LOAN CONTRACTS**

Under the Final Instalment Balloon Auto Loan Contracts, the Debtors are discharged of their obligation to pay to the Seller the amount of the Balloon Instalment only upon payment to the Seller of such Balloon Instalment (*provided that* the Debtor has duly paid all the instalments accrued so far).

The Debtors have the option to request the Seller to grant an extension of the Auto Loan consequently dividing the payment of the Balloon Instalment into several additional instalments, on terms substantially equivalent to those applicable in case of exercise by the Debtors of OPTION B under the VFG Balloon Auto Loan Contracts.

### **Pool Audit**

Pursuant to Article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification has been made in respect of the provisional Portfolio and the Initial Portfolio prior to the Issue Date by an appropriate and independent party, and no significant adverse findings have been found. Such verification has confirmed: (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 provisional Portfolio; (ii) the accuracy of the data relating to the provisional Portfolio disclosed in the paragraph entitled "*Stratification Tables*" below; and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Seller in relation to the provisional Portfolio and the Initial Portfolio with the Eligibility Criteria that are able to be tested prior to the Issue Date.

## STRATIFICATION TABLES

Please note that any square bracket included in the table above has the purpose of clarifying if the extreme of the class is included or not.

SUMMARY TABLE

CUT-OFF DATE	17/06/2024
Aggregate Outstanding Loan Principal Amount	1,199,999,605
Aggregate Original Loan Principal Amount	1,527,794,979
Number of Loans	99,543
Number of Obligors	98,689
Average Outstanding Loan Principal Amount	12,055
Balloon Payment on Aggregate Outstanding Balloon Loan Principal Amount	71.63%
Loan with OPTA component on Aggregate Outstanding Loan Principal Amount	52.56%
New Car/Used Car (%)	85,37% / 14,63%
Private/Commercial (%)	92,49% / 7,51%
Linear/Balloon (%)	47,62% / 52,38%
Multistep/Monostep (%)	0,22% / 99,78%
Largest Borrower % on Outstanding Loan Principal Amount	0.02%
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount	0.06%
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount	0.11%
WEIGHTED AVERAGE	
Weighted Average Interest Rate	7.42%
Weighted Average Seasoning	10.96
Weighted Average Remaining Term	39.58
Weighted Average Original Term	50.54
Weighted Average Original LTV portfolio WAL	75.8%
	2.23

Original Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 12 [	1	0%	12,771	0%
[ 12 - 18 [	28	0%	277,340	0%
[ 18 - 24 [	13	0%	107,506	0%
[ 24 - 30 [	645	1%	4,917,241	0%
[ 30 - 36 [	87	0%	637,299	0%
[ 36 - 42 [	19246	19%	273,800,377	23%
[ 42 - 48 [	204	0%	1,458,716	0%
[ 48 - 54 [	41308	41%	503,191,282	42%
[ 54 - 60 [	240	0%	2,343,631	0%
[ 60 - 66 [	27264	27%	299,014,751	25%
[ 66 - 72 [	238	0%	2,895,813	0%
[ 72 - 78 [	8942	9%	97,986,018	8%
[ 78 - 84 [	94	0%	1,191,578	0%
[ 84 - 96 [	1223	1%	12,008,068	1%
[ 96	10	0%	157,216	0%
	99,543	100%	1,199,999,605	100%



<i>Seasoning in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	41,783	42%	614,927,959	51%
[ 6 - 12 [	23,490	24%	335,065,448	28%
[ 12 - 18 [	826	1%	9,753,522	1%
[ 18 - 24 [	701	1%	8,354,393	1%
[ 24 - 30 [	3,981	4%	45,894,424	4%
[ 30 - 36 [	6,838	7%	58,627,032	5%
[ 36 - 42 [	9,563	10%	69,675,814	6%
[ 42 - 48 [	5,810	6%	38,513,868	3%
[ 48 - 54 [	2,538	3%	9,183,541	1%
[ 54 - 60 [	3,329	3%	8,243,757	1%
[ 60 - 66 [	549	1%	1,555,773	0%
[ 66 - 72 [	113	0%	165,680	0%
[ 72 - 78 [	16	0%	32,457	0%
[ 78 - 84 [	6	0%	5,938	0%
[ 84	-	0%	-	0%
	99,543	100%	1,199,999,605	100%

<i>Current Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	5,157	5%	28,411,708	2%
[ 6 - 12 [	9,373	9%	65,620,540	5%
[ 12 - 18 [	6,409	6%	47,767,846	4%
[ 18 - 24 [	6,099	6%	43,150,216	4%
[ 24 - 30 [	7,366	7%	80,594,639	7%
[ 30 - 36 [	14,477	15%	207,453,890	17%
[ 36 - 42 [	8,373	8%	107,604,141	9%
[ 42 - 48 [	21,395	21%	293,721,384	24%
[ 48 - 54 [	4,538	5%	69,420,943	6%
[ 54 - 60 [	11,302	11%	180,054,203	15%
[ 60 - 66 [	1,498	2%	22,000,305	2%
[ 66 - 72 [	3,526	4%	53,701,031	4%
[ 72 - 78 [	30	0%	498,759	0%
[ 78 - 84 [	-	0%	-	0%
[ 84	-	0%	-	0%
	99,543	100%	1,199,999,605	100%

<i>Origination Year</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2017	8	0%	8,341	0%
2018	142	0%	225,978	0%
2019	4,287	4%	11,155,194	1%
2020	8,462	9%	50,169,037	4%
2021	16,388	16%	129,215,936	11%
2022	4,212	4%	50,019,518	4%
2023	28,056	28%	402,765,325	34%
2024	37,988	38%	556,440,276	46%
	99,543	100%	1,199,999,605	100%

Original Financed Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	-	0%	-	0%
[ 2 000 - 4 000 [	56	0%	142,399	0%
[ 4 000 - 6 000 [	904	1%	3,317,013	0%
[ 6 000 - 8 000 [	6,458	6%	36,674,753	3%
[ 8 000 - 10 000 [	12,802	13%	90,589,113	8%
[ 10 000 - 12 000 [	15,298	15%	126,096,504	11%
[ 12 000 - 14 000 [	14,336	14%	140,406,430	12%
[ 14 000 - 16 000 [	12,699	13%	142,898,828	12%
[ 16 000 - 18 000 [	9,353	9%	119,635,479	10%
[ 18 000 - 20 000 [	6,805	7%	99,318,512	8%
[ 20 000 - 22 000 [	6,008	6%	98,795,130	8%
[ 22 000 - 24 000 [	4,358	4%	80,107,225	7%
[ 24 000 - 26 000 [	3,386	3%	69,646,902	6%
[ 26 000 - 28 000 [	2,255	2%	51,988,724	4%
[ 28 000 - 30 000 [	1,637	2%	41,222,863	3%
[ 30 000 - 32 000 [	1,140	1%	30,669,859	3%
[ 32 000 - 34 000 [	717	1%	20,922,774	2%
[ 34 000 - 36 000 [	485	0%	15,003,673	1%
[ 36 000 - 38 000 [	274	0%	9,028,234	1%
[ 38 000 - 40 000 [	187	0%	6,543,464	1%
[ 40 000 - 42 000 [	142	0%	5,090,012	0%
[ 42 000 - 44 000 [	68	0%	2,657,000	0%
[ 44 000 - 46 000 [	41	0%	1,623,933	0%
[ 46 000 - 48 000 [	25	0%	1,098,186	0%
[ 48 000 - 50 000 [	11	0%	479,054	0%
[ 50 000 - 52 000 [	15	0%	690,054	0%
[ 52 000 - 54 000 [	6	0%	301,280	0%
[ 54 000 - 56 000 [	11	0%	547,829	0%
[ 56 000 - 58 000 [	8	0%	425,645	0%
[ 58000	58	0%	4,078,733	0%
	99,543	100%	1,199,999,605	100%

Outstanding Principal Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	4,500	5%	5,817,889	0%
[ 2 000 - 4 000 [	6,393	6%	19,270,301	2%
[ 4 000 - 6 000 [	7,034	7%	35,237,329	3%
[ 6 000 - 8 000 [	13,060	13%	93,752,450	8%
[ 8 000 - 10 000 [	13,863	14%	124,917,442	10%
[ 10 000 - 12 000 [	11,687	12%	128,454,880	11%
[ 12 000 - 14 000 [	10,731	11%	139,187,806	12%
[ 14 000 - 16 000 [	8,629	9%	128,920,645	11%
[ 16 000 - 18 000 [	5,882	6%	99,664,384	8%
[ 18 000 - 20 000 [	4,520	5%	85,701,452	7%
[ 20 000 - 22 000 [	3,535	4%	74,042,123	6%
[ 22 000 - 24 000 [	2,798	3%	64,276,595	5%
[ 24 000 - 26 000 [	2,167	2%	54,057,595	5%
[ 26 000 - 28 000 [	1,603	2%	43,180,482	4%
[ 28 000 - 30 000 [	1,111	1%	32,135,897	3%

[ 30 000 - 32 000 [	748	1%	23,139,062	2%
[ 32 000 - 34 000 [	488	0%	16,067,013	1%
[ 34 000 - 36 000 [	279	0%	9,759,066	1%
[ 36 000 - 38 000 [	175	0%	6,467,861	1%
[ 38 000 - 40 000 [	114	0%	4,433,275	0%
[ 40 000 - 42 000 [	69	0%	2,825,489	0%
[ 42 000 - 44 000 [	34	0%	1,461,884	0%
[ 44 000 - 46 000 [	19	0%	853,169	0%
[ 46 000 - 48 000 [	15	0%	701,814	0%
[ 48 000 - 50 000 [	13	0%	636,524	0%
[ 50 000 - 52 000 [	8	0%	405,023	0%
[ 52 000 - 54 000 [	6	0%	320,594	0%
[ 54 000 - 56 000 [	8	0%	437,710	0%
[ 56 000 - 58 000 [	4	0%	227,123	0%
[ 58000	50	0%	3,646,727	0%
	99,543	100%	1,199,999,605	100%

<i>Original Loan to Value Ratio</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	-	0.00%	-	0%
[ 10,00% - 20,00% [	105	0.11%	394,400	0%
[ 20,00% - 30,00% [	942	0.95%	5,439,672	0%
[ 30,00% - 40,00% [	3,405	3.42%	23,960,036	2%
[ 40,00% - 50,00% [	8,272	8.31%	65,944,442	5%
[ 50,00% - 60,00% [	13,141	13.20%	118,801,339	10%
[ 60,00% - 70,00% [	15,631	15.70%	174,047,914	15%
[ 70,00% - 80,00% [	20,034	20.13%	268,929,999	22%
[ 80,00% - 90,00% [	20,652	20.75%	306,416,042	26%
[ 90,00% - 100,00% [	10,870	10.92%	155,701,921	13%
[ 100,00%	6,491	6.52%	80,363,841	7%
	99,543	100%	1,199,999,605	100%

<i>Effective Interest Rate</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 1,00% [	-	0%	-	0%
[ 1,00% - 2,00% [	430	0%	1,316,094	0%
[ 2,00% - 3,00% [	1,354	1%	10,638,536	1%
[ 3,00% - 4,00% [	3,335	3%	24,229,756	2%
[ 4,00% - 5,00% [	5,978	6%	48,760,484	4%
[ 5,00% - 6,00% [	19,836	20%	201,575,114	17%
[ 6,00% - 7,00% [	18,290	18%	277,310,392	23%
[ 7,00% - 8,00% [	11,228	11%	164,766,598	14%
[ 8,00% - 9,00% [	29,248	29%	333,905,503	28%
[ 9,00% - 10,00% [	7,077	7%	99,763,942	8%
[ 10,00%	2,767	3%	37,733,187	3%
	99,543	100%	1,199,999,605	100%

<i>Alimentation</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
	14,719	15%	142,366,064	12%

Diesel	22,129	22%	293,433,800	24%
Electrique	922	1%	19,126,909	2%
Hybride	18,779	19%	233,146,975	19%
GPL	2,019	2%	21,073,072	2%
Essence	40,958	41%	490,661,842	41%
Gaz Natural	17	0%	190,943	0%
	99,543	100%	1,199,999,605	100%

<i>Car Brand</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	27,377	28%	334,180,336	28%
Citroen	24,573	25%	222,440,308	19%
Fiat	19,421	20%	222,971,295	19%
Opel	10,132	10%	130,094,069	11%
Jeep	7,419	7%	159,182,288	13%
DS	1,054	1%	21,796,451	2%
Lancia	5,107	5%	54,588,852	5%
Alfa Romeo	358	0%	5,663,155	0%
Abarth	198	0%	4,313,675	0%
Maserati	8	0%	276,760	0%
Others	3,896	4%	44,492,416	4%
	99,543	100%	1,199,999,605	100%

<i>Payment Mode</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	99,169	100%	1,196,069,199	100%
Postal Transfer	374	0%	3,930,406	0%
Manual Payment	-	0%	-	0%
Check	-	0%	-	0%
Others	-	0%	-	0%
	99,543	100%	1,199,999,605	100%

<i>Zone of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	44,945	45%	529,920,764	44.0%
Centro	27,923	28%	345,757,868	29.0%
South	26,675	27%	324,320,973	27.0%
	99,543	100%	1,199,999,605	100%

<i>Region of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	17,878	18%	199,738,510	17%
Lazio	11,819	12%	148,206,758	12%
Emilia-Romagna	8,423	8%	107,340,252	9%
Sicilia	7,367	7%	91,630,763	8%
Veneto	7,983	8%	95,900,668	8%
Piemonte	5,103	5%	61,107,050	5%
Campania	8,541	9%	102,632,853	9%
Toscana	8,949	9%	106,745,684	9%

Puglia	4,228	4%	55,273,114	5%
Calabria	3,560	4%	41,887,148	3%
Abruzzo	2,772	3%	34,832,907	3%
Sardegna	2,054	2%	22,464,450	2%
Marche	2,119	2%	26,397,814	2%
Friul-Venezia Giulia	2,614	3%	29,978,813	2%
Umbria	1,892	2%	24,844,700	2%
Liguria	1,594	2%	18,972,572	2%
Trentino Alto Adige	875	1%	11,881,525	1%
Basilicata	925	1%	10,432,645	1%
Valle d Aosta	475	0%	5,001,374	0%
Molise	372	0%	4,730,004	0%
	99,543	100%	1,199,999,605	100%

<i>Type of Contract</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Balloon Standard	2,046	2%	19,522,722	2%
Balloon Loyalty	36,152	36%	609,090,121	51%
Linear	61,345	62%	571,386,763	48%
	99,543	100%	1,199,999,605	100%

<i>Balloon payment as % of PRICE CAR</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	1,349	4%	8,530,226	1%
[ 10,00% - 20,00% [	317	1%	3,207,624	1%
[ 20,00% - 30,00% [	405	1%	7,760,202	1%
[ 30,00% - 40,00% [	3,256	9%	49,057,711	8%
[ 40,00% - 50,00% [	12,549	33%	191,904,962	31%
[ 50,00% - 60,00% [	12,937	34%	227,193,402	36%
[ 60,00% - 70,00% [	7,384	19%	140,940,361	22%
[ 70,00% - 80,00% [	1	0%	18,355	0%
[ 80,00% - 90,00% [	-	0%	-	0%
[ 90,00%	-	0%	-	0%
	38,198	100%	628,612,842	100%

*Balloon payment as % of PRICE CAR* 50.06%

<i>Credit Score</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Green	78,370	79%	946,198,246	79%
Orange	20,179	20%	241,468,163	20%
Red	916	1%	11,906,077	1%
Others	78	0%	427,119	0%
	99,543	100%	1,199,999,605	100%

SUMMARY TABLE

<b>CUT-OFF DATE</b>		<b>13/05/2024</b>
Aggregate Outstanding Loan Principal Amount		1,099,999,618
Aggregate Original Loan Principal Amount		1,420,843,696
Number of Loans		92,900
Number of Obligors		92,095
Average Outstanding Loan Principal Amount		11,841
Balloon Payment on Aggregate Outstanding Balloon Loan Principal Amount		71.65%
Loan with OPTA component on Aggregate Outstanding Loan Principal Amount		50.76%
New Car/Used Car (%)		85,47% / 14,53%
Private/Commercial (%)		92,52% / 7,48%
Linear/Balloon (%)		47,91% / 52,09%
Multistep/Monostep (%)		0,21% / 99,79%
Largest Borrower % on Outstanding Loan Principal Amount		0.03%
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount		0.08%
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount		0.14%
<b>WEIGHTED AVERAGE</b>		
Weighted Average Interest Rate		7.38%
Weighted Average Seasoning		11.27
Weighted Average Remaining Term		39.43
Weighted Average Original Term		50.70
Weighted Average Original LTV		75.8%
portfolio WAL		2.22

<i>Original Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 12 [	24	0%	319,397	0%
[ 12 - 18 [	24	0%	259,172	0%
[ 18 - 24 [	13	0%	103,987	0%
[ 24 - 30 [	585	1%	4,506,962	0%
[ 30 - 36 [	80	0%	569,383	0%
[ 36 - 42 [	17204	19%	242,651,922	22%
[ 42 - 48 [	191	0%	1,252,837	0%
[ 48 - 54 [	38387	41%	464,857,290	42%
[ 54 - 60 [	220	0%	2,155,867	0%
[ 60 - 66 [	26130	28%	276,677,336	25%
[ 66 - 72 [	215	0%	2,572,420	0%
[ 72 - 78 [	8496	9%	90,726,235	8%
[ 78 - 84 [	86	0%	1,089,365	0%
[ 84 - 96 [	1241	1%	12,207,401	1%
[ 96	4	0%	50,044	0%
	92,900	100%	1,099,999,618	100%

<i>Seasoning in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	41,563	45%	614,874,037	56%
[ 6 - 12 [	15,884	17%	224,496,497	20%
[ 12 - 18 [	729	1%	8,328,835	1%

[ 18 - 24 [	1,277	1%	16,647,990	2%
[ 24 - 30 [	4,511	5%	47,778,890	4%
[ 30 - 36 [	7,280	8%	63,466,007	6%
[ 36 - 42 [	9,315	10%	68,561,527	6%
[ 42 - 48 [	5,434	6%	35,433,703	3%
[ 48 - 54 [	3,173	3%	10,953,107	1%
[ 54 - 60 [	3,112	3%	7,861,687	1%
[ 60 - 66 [	507	1%	1,416,325	0%
[ 66 - 72 [	95	0%	141,826	0%
[ 72 - 78 [	17	0%	36,043	0%
[ 78 - 84 [	3	0%	3,143	0%
[ 84	-	0%	-	0%
	92,900	100%	1,099,999,618	100%

<i>Current Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	4,322	5%	24,188,268	2%
[ 6 - 12 [	10,371	11%	69,360,740	6%
[ 12 - 18 [	6,723	7%	53,199,310	5%
[ 18 - 24 [	6,182	7%	43,381,285	4%
[ 24 - 30 [	5,869	6%	59,024,614	5%
[ 30 - 36 [	14,286	15%	200,880,396	18%
[ 36 - 42 [	4,840	5%	61,948,937	6%
[ 42 - 48 [	21,693	23%	296,478,999	27%
[ 48 - 54 [	2,590	3%	39,416,040	4%
[ 54 - 60 [	11,588	12%	184,892,024	17%
[ 60 - 66 [	881	1%	13,120,021	1%
[ 66 - 72 [	3,524	4%	53,572,001	5%
[ 72 - 78 [	31	0%	536,982	0%
[ 78 - 84 [	-	0%	-	0%
[ 84	-	0%	-	0%
	92,900	100%	1,099,999,618	100%

<i>Origination Year</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2017	8	0%	10,044	0%
2018	162	0%	277,473	0%
2019	5,049	5%	13,799,872	1%
2020	9,078	10%	56,282,811	5%
2021	16,437	18%	133,581,543	12%
2022	4,156	4%	49,953,205	5%
2023	27,832	30%	402,443,221	37%
2024	30,178	32%	443,651,450	40%
	92,900	100%	1,099,999,618	100%

<i>Original Financed Amount (€)</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	-	0%	-	0%
[ 2 000 - 4 000 [	54	0%	138,974	0%
[ 4 000 - 6 000 [	880	1%	3,197,112	0%

[ 6 000 - 8 000 [	6,144	7%	34,759,750	3%
[ 8 000 - 10 000 [	11,729	13%	82,197,933	7%
[ 10 000 - 12 000 [	14,361	15%	116,894,192	11%
[ 12 000 - 14 000 [	13,556	15%	130,578,276	12%
[ 14 000 - 16 000 [	11,921	13%	131,680,455	12%
[ 16 000 - 18 000 [	8,796	9%	110,390,638	10%
[ 18 000 - 20 000 [	6,354	7%	91,076,122	8%
[ 20 000 - 22 000 [	5,558	6%	89,546,296	8%
[ 22 000 - 24 000 [	4,013	4%	72,792,887	7%
[ 24 000 - 26 000 [	3,093	3%	62,801,636	6%
[ 26 000 - 28 000 [	2,093	2%	47,777,562	4%
[ 28 000 - 30 000 [	1,473	2%	36,786,312	3%
[ 30 000 - 32 000 [	1,036	1%	27,801,317	3%
[ 32 000 - 34 000 [	633	1%	18,429,001	2%
[ 34 000 - 36 000 [	441	0%	13,628,768	1%
[ 36 000 - 38 000 [	248	0%	8,111,937	1%
[ 38 000 - 40 000 [	165	0%	5,801,300	1%
[ 40 000 - 42 000 [	131	0%	4,752,365	0%
[ 42 000 - 44 000 [	66	0%	2,599,505	0%
[ 44 000 - 46 000 [	39	0%	1,576,079	0%
[ 46 000 - 48 000 [	18	0%	806,810	0%
[ 48 000 - 50 000 [	15	0%	674,403	0%
[ 50 000 - 52 000 [	10	0%	449,715	0%
[ 52 000 - 54 000 [	6	0%	304,863	0%
[ 54 000 - 56 000 [	9	0%	446,122	0%
[ 56 000 - 58 000 [	5	0%	258,030	0%
[ 58000	53	0%	3,741,257	0%
	92,900	100%	1,099,999,618	100%

Outstanding Principal Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	4,437	5%	5,922,873	1%
[ 2 000 - 4 000 [	6,612	7%	19,862,092	2%
[ 4 000 - 6 000 [	7,075	8%	35,419,050	3%
[ 6 000 - 8 000 [	11,976	13%	86,174,742	8%
[ 8 000 - 10 000 [	12,935	14%	116,629,214	11%
[ 10 000 - 12 000 [	10,848	12%	119,099,940	11%
[ 12 000 - 14 000 [	9,912	11%	128,456,274	12%
[ 14 000 - 16 000 [	7,939	9%	118,645,515	11%
[ 16 000 - 18 000 [	5,317	6%	90,069,619	8%
[ 18 000 - 20 000 [	4,094	4%	77,640,746	7%
[ 20 000 - 22 000 [	3,082	3%	64,576,942	6%
[ 22 000 - 24 000 [	2,454	3%	56,360,702	5%
[ 24 000 - 26 000 [	1,914	2%	47,717,533	4%
[ 26 000 - 28 000 [	1,454	2%	39,169,852	4%
[ 28 000 - 30 000 [	997	1%	28,849,206	3%
[ 30 000 - 32 000 [	662	1%	20,477,900	2%
[ 32 000 - 34 000 [	424	0%	13,953,475	1%
[ 34 000 - 36 000 [	272	0%	9,496,267	1%
[ 36 000 - 38 000 [	167	0%	6,156,306	1%
[ 38 000 - 40 000 [	108	0%	4,204,085	0%
[ 40 000 - 42 000 [	67	0%	2,740,399	0%
[ 42 000 - 44 000 [	40	0%	1,718,008	0%



[ 44 000 - 46 000 [	21	0%	940,509	0%
[ 46 000 - 48 000 [	14	0%	654,626	0%
[ 48 000 - 50 000 [	13	0%	636,283	0%
[ 50 000 - 52 000 [	7	0%	355,579	0%
[ 52 000 - 54 000 [	2	0%	105,181	0%
[ 54 000 - 56 000 [	10	0%	549,035	0%
[ 56 000 - 58 000 [	2	0%	114,531	0%
[ 58000	45	0%	3,303,137	0%
	92,900	100%	1,099,999,618	100%

<i>Original Loan to Value Ratio</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	-	0.00%	-	0%
[ 10,00% - 20,00% [	98	0.11%	374,647	0%
[ 20,00% - 30,00% [	881	0.95%	5,038,239	0%
[ 30,00% - 40,00% [	3,149	3.39%	22,066,587	2%
[ 40,00% - 50,00% [	7,510	8.08%	59,305,539	5%
[ 50,00% - 60,00% [	12,083	13.01%	108,857,780	10%
[ 60,00% - 70,00% [	14,537	15.65%	159,815,768	15%
[ 70,00% - 80,00% [	18,622	20.05%	244,584,603	22%
[ 80,00% - 90,00% [	19,370	20.85%	281,234,291	26%
[ 90,00% - 100,00% [	10,342	11.13%	143,186,043	13%
[ 100,00%	6,308	6.79%	75,536,121	7%
	92,900	100%	1,099,999,618	100%

<i>Effective Interest Rate</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 1,00% [	-	0%	-	0%
[ 1,00% - 2,00% [	466	1%	1,513,101	0%
[ 2,00% - 3,00% [	1,294	1%	9,835,733	1%
[ 3,00% - 4,00% [	3,497	4%	24,265,430	2%
[ 4,00% - 5,00% [	6,316	7%	47,679,270	4%
[ 5,00% - 6,00% [	19,367	21%	193,351,002	18%
[ 6,00% - 7,00% [	16,806	18%	249,009,484	23%
[ 7,00% - 8,00% [	10,091	11%	147,259,716	13%
[ 8,00% - 9,00% [	26,488	29%	306,403,615	28%
[ 9,00% - 10,00% [	6,092	7%	86,392,982	8%
[ 10,00%	2,483	3%	34,289,286	3%
	92,900	100%	1,099,999,618	100%

<i>Alimentation</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
	15,015	16%	144,924,293	13%
Diesel	21,110	23%	272,766,190	25%
Electrique	835	1%	17,600,326	2%
Hybride	16,516	18%	205,667,881	19%
GPL	1,765	2%	18,507,226	2%
Essence	37,650	41%	440,418,010	40%
Gaz Natural	9	0%	115,691	0%
	92,900	100%	1,099,999,618	100%

<i>Car Brand</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	26,368	28%	313,122,438	28%
Citroen	24,286	26%	215,071,940	20%
Fiat	17,528	19%	202,616,014	18%
Opel	8,925	10%	115,289,004	10%
Jeep	6,362	7%	137,394,167	12%
DS	985	1%	20,217,124	2%
Lancia	4,366	5%	47,056,210	4%
Alfa Romeo	314	0%	4,980,834	0%
Abarth	176	0%	3,810,749	0%
Maserati	8	0%	299,256	0%
Others	3,582	4%	40,141,883	4%
	92,900	100%	1,099,999,618	100%

<i>Payment Mode</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	92,555	100%	1,096,450,856	100%
Postal Transfer	345	0%	3,548,762	0%
Manual Payment	-	0%	-	0%
Check	-	0%	-	0%
Others	-	0%	-	0%
	92,900	100%	1,099,999,618	100%

<i>Zone of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	42,255	45%	488,849,483	44%
Centro	25,684	28%	312,153,559	28%
South	24,961	27%	298,996,576	27%
	92,900	100%	1,099,999,618	100%

<i>Region of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	16,971	18%	185,585,102	17%
Lazio	10,976	12%	134,594,032	12%
Emilia-Romagna	7,813	8%	97,467,992	9%
Sicilia	6,890	7%	84,457,706	8%
Veneto	7,480	8%	88,535,248	8%
Piemonte	4,788	5%	56,349,858	5%
Campania	7,922	9%	93,808,557	9%
Toscana	8,182	9%	96,086,333	9%
Puglia	3,936	4%	51,153,668	5%
Calabria	3,376	4%	39,080,258	4%
Abruzzo	2,550	3%	31,434,286	3%
Sardegna	1,977	2%	21,178,570	2%
Marche	1,911	2%	23,622,077	2%
Friul-Venezia Giulia	2,423	3%	27,493,748	2%
Umbria	1,734	2%	22,314,886	2%

Liguria	1,491	2%	17,426,685	2%
Trentino Alto Adige	826	1%	11,348,517	1%
Basilicata	860	1%	9,317,817	1%
Valle d Aosta	463	0%	4,642,334	0%
Molise	331	0%	4,101,946	0%
	92,900	100%	1,099,999,618	100%

<i>Type of Contract</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Balloon Standard	2,065	2%	19,078,928	2%
Balloon Loyalty	33,353	36%	553,895,532	50%
Linear	57,482	62%	527,025,158	48%
	92,900	100%	1,099,999,618	100%

<i>Balloon payment as % of PRICE CAR</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	1,402	4%	8,891,173	2%
[ 10,00% - 20,00% [	319	1%	3,228,540	1%
[ 20,00% - 30,00% [	372	1%	6,835,255	1%
[ 30,00% - 40,00% [	3,044	9%	44,831,379	8%
[ 40,00% - 50,00% [	11,980	34%	180,164,509	31%
[ 50,00% - 60,00% [	11,917	34%	207,145,035	36%
[ 60,00% - 70,00% [	6,383	18%	121,860,101	21%
[ 70,00% - 80,00% [	1	0%	18,469	0%
[ 80,00% - 90,00% [	-	0%	-	0%
[ 90,00%	-	0%	-	0%
	35,418	100%	572,974,460	100%

*Balloon payment as % of PRICE CAR* 49.65%

<i>Credit Score</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Green	72,479	78%	863,133,502	78%
Orange	19,449	21%	225,413,137	20%
Red	883	1%	10,986,862	1%
Others	89	0%	466,117	0%
	92,900	100%	1,099,999,618	100%

## SUMMARY TABLE

CUT-OFF DATE	29/02/2024
Aggregate Outstanding Loan Principal Amount	1,011,478,364
Aggregate Original Loan Principal Amount	1,380,500,999
Number of Loans	89,601
Number of Obligors	88,702
Average Outstanding Loan Principal Amount	11,289
Balloon Payment on Aggregate Outstanding Balloon Loan Principal Amount	69.32%
Loan with OPTA component on Aggregate Outstanding Loan Principal Amount	48.77%
New Car/Used Car (%)	86,11% / 13,89%
Private/Commercial (%)	92,27% / 7,73%
Linear/Balloon (%)	46,19% / 53,81%
Multistep/Monostep (%)	0,25% / 99,75%
Largest Borrower % on Outstanding Loan Principal Amount	0.02%
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount	0.07%
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount	0.12%
WEIGHTED AVERAGE	
Weighted Average Interest Rate	7.16%
Weighted Average Seasoning	13.94
Weighted Average Remaining Term	36.93
Weighted Average Original Term	50.87
Weighted Average Original LTV	76.0%
portfolio WAL	2.08

Original Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 12 [	11	0%	152,558	0%
[ 12 - 18 [	22	0%	215,480	0%
[ 18 - 24 [	16	0%	140,472	0%
[ 24 - 30 [	505	1%	4,302,732	0%
[ 30 - 36 [	98	0%	595,879	0%
[ 36 - 42 [	16186	18%	212,599,915	21%
[ 42 - 48 [	214	0%	1,435,656	0%
[ 48 - 54 [	37026	41%	437,719,914	43%
[ 54 - 60 [	216	0%	1,975,480	0%
[ 60 - 66 [	25697	29%	253,038,935	25%
[ 66 - 72 [	194	0%	2,203,158	0%
[ 72 - 78 [	7986	9%	82,494,897	8%
[ 78 - 84 [	60	0%	597,286	0%
[ 84 - 96 [	1362	2%	13,879,991	1%
[ 96	8	0%	126,011	0%
	89,601	100%	1,011,478,364	100%

Seasoning in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	41,694	47%	625,929,878	62%
[ 6 - 12 [	1,582	2%	20,805,425	2%
[ 12 - 18 [	685	1%	7,725,302	1%

[ 18 - 24 [	3,200	4%	44,311,623	4%
[ 24 - 30 [	7,453	8%	74,277,640	7%
[ 30 - 36 [	11,819	13%	103,617,625	10%
[ 36 - 42 [	9,356	10%	69,712,232	7%
[ 42 - 48 [	5,720	6%	39,688,994	4%
[ 48 - 54 [	5,050	6%	18,254,840	2%
[ 54 - 60 [	2,597	3%	6,067,253	1%
[ 60 - 66 [	337	0%	924,302	0%
[ 66 - 72 [	95	0%	141,802	0%
[ 72 - 78 [	9	0%	16,997	0%
[ 78 - 84 [	4	0%	4,452	0%
[ 84	-	0%	-	0%
	89,601	100%	1,011,478,364	100%

<i>Current Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	6,676	7%	44,539,090	4%
[ 6 - 12 [	11,273	13%	71,995,599	7%
[ 12 - 18 [	9,760	11%	87,265,467	9%
[ 18 - 24 [	6,458	7%	49,848,842	5%
[ 24 - 30 [	6,686	7%	58,192,443	6%
[ 30 - 36 [	12,980	14%	173,043,442	17%
[ 36 - 42 [	1,827	2%	18,886,151	2%
[ 42 - 48 [	19,197	21%	269,867,567	27%
[ 48 - 54 [	833	1%	11,558,040	1%
[ 54 - 60 [	10,482	12%	173,364,503	17%
[ 60 - 66 [	297	0%	4,578,512	0%
[ 66 - 72 [	3,118	3%	48,127,428	5%
[ 72 - 78 [	14	0%	211,281	0%
[ 78 - 84 [	-	0%	-	0%
[ 84	-	0%	-	0%
	89,601	100%	1,011,478,364	100%

<i>Origination Year</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2017	11	0%	17,296	0%
2018	225	0%	423,612	0%
2019	6,364	7%	18,623,731	2%
2020	12,811	14%	87,578,619	9%
2021	20,890	23%	181,670,719	18%
2022	5,763	6%	73,420,378	7%
2023	33,399	37%	501,371,808	50%
2024	10,138	11%	148,372,202	15%
	89,601	100%	1,011,478,364	100%

<i>Original Financed Amount (€)</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	-	0%	-	0%
[ 2 000 - 4 000 [	64	0%	151,689	0%
[ 4 000 - 6 000 [	890	1%	2,970,874	0%

[ 6 000 - 8 000 [	5,799	6%	30,844,424	3%
[ 8 000 - 10 000 [	10,283	11%	67,536,023	7%
[ 10 000 - 12 000 [	13,884	15%	105,643,596	10%
[ 12 000 - 14 000 [	13,096	15%	117,936,728	12%
[ 14 000 - 16 000 [	11,761	13%	121,887,731	12%
[ 16 000 - 18 000 [	8,819	10%	104,462,074	10%
[ 18 000 - 20 000 [	6,285	7%	84,642,530	8%
[ 20 000 - 22 000 [	5,511	6%	84,135,174	8%
[ 22 000 - 24 000 [	3,966	4%	67,960,502	7%
[ 24 000 - 26 000 [	2,973	3%	57,881,645	6%
[ 26 000 - 28 000 [	1,956	2%	42,546,542	4%
[ 28 000 - 30 000 [	1,403	2%	33,889,881	3%
[ 30 000 - 32 000 [	1,004	1%	26,320,019	3%
[ 32 000 - 34 000 [	610	1%	17,426,291	2%
[ 34 000 - 36 000 [	450	1%	13,853,248	1%
[ 36 000 - 38 000 [	260	0%	8,513,278	1%
[ 38 000 - 40 000 [	192	0%	6,877,390	1%
[ 40 000 - 42 000 [	142	0%	5,161,670	1%
[ 42 000 - 44 000 [	77	0%	3,101,163	0%
[ 44 000 - 46 000 [	68	0%	2,797,710	0%
[ 46 000 - 48 000 [	43	0%	1,957,330	0%
[ 48 000 - 50 000 [	34	0%	1,569,461	0%
[ 50 000 - 52 000 [	24	0%	1,120,687	0%
[ 52 000 - 54 000 [	1	0%	33,419	0%
[ 54 000 - 56 000 [	4	0%	182,785	0%
[ 56 000 - 58 000 [	-	0%	-	0%
[ 58000	2	0%	74,499	0%
	89,601	100%	1,011,478,364	100%

Outstanding Principal Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	5,298	6%	6,962,395	1%
[ 2 000 - 4 000 [	7,428	8%	22,351,224	2%
[ 4 000 - 6 000 [	8,189	9%	41,048,508	4%
[ 6 000 - 8 000 [	11,326	13%	81,129,950	8%
[ 8 000 - 10 000 [	12,192	14%	109,985,959	11%
[ 10 000 - 12 000 [	10,398	12%	113,843,628	11%
[ 12 000 - 14 000 [	9,071	10%	117,569,140	12%
[ 14 000 - 16 000 [	7,343	8%	109,740,580	11%
[ 16 000 - 18 000 [	4,808	5%	81,415,347	8%
[ 18 000 - 20 000 [	3,471	4%	65,884,431	7%
[ 20 000 - 22 000 [	2,590	3%	54,221,628	5%
[ 22 000 - 24 000 [	2,009	2%	46,142,644	5%
[ 24 000 - 26 000 [	1,571	2%	39,160,015	4%
[ 26 000 - 28 000 [	1,172	1%	31,582,678	3%
[ 28 000 - 30 000 [	890	1%	25,790,005	3%
[ 30 000 - 32 000 [	582	1%	18,006,992	2%
[ 32 000 - 34 000 [	419	0%	13,801,640	1%
[ 34 000 - 36 000 [	251	0%	8,764,096	1%
[ 36 000 - 38 000 [	191	0%	7,060,643	1%
[ 38 000 - 40 000 [	131	0%	5,103,256	1%
[ 40 000 - 42 000 [	87	0%	3,560,608	0%
[ 42 000 - 44 000 [	65	0%	2,789,247	0%

[ 44 000 - 46 000 [	44	0%	1,979,494	0%
[ 46 000 - 48 000 [	45	0%	2,114,507	0%
[ 48 000 - 50 000 [	30	0%	1,469,751	0%
[ 50 000 - 52 000 [	-	0%	-	0%
[ 52 000 - 54 000 [	-	0%	-	0%
[ 54 000 - 56 000 [	-	0%	-	0%
[ 56 000 - 58 000 [	-	0%	-	0%
[ 58000	-	0%	-	0%
	89,601	100%	1,011,478,364	100%

<i>Original Loan to Value Ratio</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	-	0.00%	-	0%
[ 10,00% - 20,00% [	102	0.11%	381,869	0%
[ 20,00% - 30,00% [	907	1.01%	5,070,812	1%
[ 30,00% - 40,00% [	2,909	3.25%	19,470,042	2%
[ 40,00% - 50,00% [	6,891	7.69%	51,989,080	5%
[ 50,00% - 60,00% [	11,097	12.38%	97,604,192	10%
[ 60,00% - 70,00% [	13,738	15.33%	147,265,169	15%
[ 70,00% - 80,00% [	18,109	20.21%	227,987,150	23%
[ 80,00% - 90,00% [	18,799	20.98%	255,964,295	25%
[ 90,00% - 100,00% [	10,503	11.72%	133,372,903	13%
[ 100,00%	6,546	7.31%	72,372,852	7%
	89,601	100%	1,011,478,364	100%

<i>Effective Interest Rate</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 1,00% [	-	0%	-	0%
[ 1,00% - 2,00% [	557	1%	2,005,824	0%
[ 2,00% - 3,00% [	1,194	1%	8,750,329	1%
[ 3,00% - 4,00% [	4,270	5%	26,489,322	3%
[ 4,00% - 5,00% [	8,756	10%	66,101,865	7%
[ 5,00% - 6,00% [	21,944	24%	210,358,532	21%
[ 6,00% - 7,00% [	16,751	19%	233,947,954	23%
[ 7,00% - 8,00% [	8,824	10%	122,398,391	12%
[ 8,00% - 9,00% [	20,869	23%	251,403,840	25%
[ 9,00% - 10,00% [	4,510	5%	63,238,561	6%
[ 10,00%	1,926	2%	26,783,747	3%
	89,601	100%	1,011,478,364	100%

<i>Alimentation</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Diesel	14,602	16%	133,095,716	13%
Electrique	23,875	27%	294,798,528	29%
Hybride	899	1%	17,823,685	2%
GPL	12,105	14%	159,703,317	16%
Essence	1,223	1%	12,984,527	1%
Gaz Natural	36,894	41%	393,032,399	39%
	3	0%	40,191	0%
	89,601	100%	1,011,478,364	100%

<i>Car Brand</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	29,479	33%	324,887,465	32%
Citroen	26,903	30%	224,482,073	22%
Fiat	13,163	15%	155,265,855	15%
Opel	7,043	8%	90,768,198	9%
Jeep	4,758	5%	102,182,958	10%
DS	1,079	1%	20,849,851	2%
Lancia	2,923	3%	31,813,997	3%
Alfa Romeo	929	1%	25,073,802	2%
Abarth	92	0%	2,026,461	0%
Maserati	5	0%	144,900	0%
Others	3,227	4%	33,982,804	3%
	89,601	100%	1,011,478,364	100%

<i>Payment Mode</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	89,239	100%	1,008,113,174	100%
Postal Transfer	360	0%	3,331,283	0%
Manual Payment	-	0%	-	0%
Check	2	0%	33,908	0%
Others	-	0%	-	0%
	89,601	100%	1,011,478,364	100%

<i>Zone of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	41,520	46%	452,629,192	45%
Centro	23,796	27%	277,844,129	27%
South	24,285	27%	281,005,043	28%
	89,601	100%	1,011,478,364	100%

<i>Region of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	16,947	19%	174,528,907	17%
Lazio	10,201	11%	118,615,258	12%
Emilia-Romagna	7,625	9%	89,304,157	9%
Sicilia	6,741	8%	79,079,051	8%
Veneto	7,287	8%	81,959,244	8%
Piemonte	4,586	5%	49,653,760	5%
Campania	7,748	9%	89,603,531	9%
Toscana	7,439	8%	85,242,280	8%
Puglia	3,531	4%	44,509,677	4%
Calabria	3,384	4%	38,134,686	4%
Abruzzo	2,464	3%	29,211,914	3%
Sardegna	2,008	2%	20,654,263	2%
Marche	1,830	2%	21,690,088	2%
Friul-Venezia Giulia	2,364	3%	26,436,180	3%
Umbria	1,569	2%	19,623,578	2%



Liguria	1,454	2%	16,237,062	2%
Trentino Alto Adige	737	1%	9,565,396	1%
Basilicata	873	1%	9,023,835	1%
Valle d Aosta	520	1%	4,944,486	0%
Molise	293	0%	3,461,012	0%
	89,601	100%	1,011,478,364	100%

<i>Type of Contract</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Balloon Standard	2,234	2%	20,105,244	2%
Balloon Loyalty	33,310	37%	524,166,339	52%
Linear	54,057	60%	467,206,781	46%
	89,601	100%	1,011,478,364	100%

<i>Balloon payment as % of PRICE CAR</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	1,507	4%	10,086,114	2%
[ 10,00% - 20,00% [	416	1%	3,990,421	1%
[ 20,00% - 30,00% [	333	1%	5,703,787	1%
[ 30,00% - 40,00% [	3,268	9%	43,055,371	8%
[ 40,00% - 50,00% [	13,565	38%	194,067,945	36%
[ 50,00% - 60,00% [	11,911	34%	199,877,338	37%
[ 60,00% - 70,00% [	4,544	13%	87,490,607	16%
[ 70,00% - 80,00% [	-	0%	-	0%
[ 80,00% - 90,00% [	-	0%	-	0%
[ 90,00%	-	0%	-	0%
	35,544	100%	544,271,583	100%

<i>Balloon payment as % of PRICE CAR</i>	48.50%
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<i>Credit Score</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Green	68,667	77%	785,281,521	78%
Orange	19,852	22%	213,876,332	21%
Red	962	1%	11,570,380	1%
Others	120	0%	750,131	0%
	89,601	100%	1,011,478,364	100%

## SUMMARY TABLE

CUT-OFF DATE	30/01/2024
Aggregate Outstanding Loan Principal Amount	1,054,398,438
Aggregate Original Loan Principal Amount	1,422,219,151
Number of Loans	89,940
Number of Obligors	89,060
Average Outstanding Loan Principal Amount	11,723
Balloon Payment on Aggregate Outstanding Balloon Loan Principal Amount	69.32%
Loan with OPTA component on Aggregate Outstanding Loan Principal Amount	46.75%
New Car/Used Car (%)	82,05% / 17,95%
Private/Commercial (%)	92,24% / 7,76%
Linear/Balloon (%)	53,14% / 46,86%
Multistep/Monostep (%)	5,74% / 94,26%
Largest Borrower % on Outstanding Loan Principal Amount	0.02%
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount	0.08%
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount	0.12%
WEIGHTED AVERAGE	
Weighted Average Interest Rate	7.42%
Weighted Average Seasoning	13.59
Weighted Average Remaining Term	43.37
Weighted Average Original Term	56.96
Weighted Average Original LTV	77.4%
Portfolio WAL	2.41

Original Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 12 [	0	0%	-	0%
[ 12 - 18 [	20	0%	193,700	0%
[ 18 - 24 [	13	0%	102,928	0%
[ 24 - 30 [	413	0%	3,708,604	0%
[ 30 - 36 [	80	0%	473,902	0%
[ 36 - 42 [	14678	16%	188,451,107	18%
[ 42 - 48 [	199	0%	1,278,948	0%
[ 48 - 54 [	33477	37%	392,048,393	37%
[ 54 - 60 [	204	0%	1,773,862	0%
[ 60 - 66 [	24080	27%	227,507,308	22%
[ 66 - 72 [	170	0%	1,852,603	0%
[ 72 - 78 [	7391	8%	74,574,619	7%
[ 78 - 84 [	115	0%	1,511,674	0%
[ 84 - 96 [	3079	3%	42,896,313	4%
[ 96	6021	7%	118,024,476	11%
	89,940	100%	1,054,398,438	100%

Seasoning in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	40,074	45%	639,833,978	61%
[ 6 - 12 [	1,889	2%	28,252,218	3%
[ 12 - 18 [	715	1%	8,738,922	1%

[ 18 - 24 [	3,996	4%	55,646,597	5%
[ 24 - 30 [	8,108	9%	80,281,231	8%
[ 30 - 36 [	13,264	15%	114,279,669	11%
[ 36 - 42 [	8,458	9%	64,174,999	6%
[ 42 - 48 [	5,659	6%	38,665,470	4%
[ 48 - 54 [	5,024	6%	18,163,411	2%
[ 54 - 60 [	2,387	3%	5,543,153	1%
[ 60 - 66 [	242	0%	636,086	0%
[ 66 - 72 [	108	0%	157,674	0%
[ 72 - 78 [	9	0%	18,292	0%
[ 78 - 84 [	7	0%	6,737	0%
[ 84	-	0%	-	0%
	89,940	100%	1,054,398,438	100%

<i>Current Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	6,042	7%	40,411,952	4%
[ 6 - 12 [	11,126	12%	72,205,529	7%
[ 12 - 18 [	10,630	12%	93,055,453	9%
[ 18 - 24 [	6,434	7%	52,962,781	5%
[ 24 - 30 [	7,444	8%	65,451,573	6%
[ 30 - 36 [	10,640	12%	141,335,141	13%
[ 36 - 42 [	2,229	2%	22,120,665	2%
[ 42 - 48 [	15,330	17%	218,528,763	21%
[ 48 - 54 [	878	1%	11,848,337	1%
[ 54 - 60 [	8,567	10%	144,784,465	14%
[ 60 - 66 [	276	0%	4,154,212	0%
[ 66 - 72 [	2,526	3%	39,460,443	4%
[ 72 - 78 [	218	0%	3,559,866	0%
[ 78 - 84 [	1,658	2%	27,867,176	3%
[ 84	5,942	7%	116,652,084	11%
	89,940	100%	1,054,398,438	100%

<i>Origination Year</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2017	15	0%	22,635	0%
2018	258	0%	506,822	0%
2019	6,709	7%	20,535,778	2%
2020	13,216	15%	93,352,887	9%
2021	21,693	24%	192,735,593	18%
2022	5,952	7%	77,474,829	7%
2023	42,097	47%	669,769,895	64%
2024	-	0%	-	0%
	89,940	100%	1,054,398,438	100%

<i>Original Financed Amount (€)</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	-	0%	-	0%
[ 2 000 - 4 000 [	55	0%	128,563	0%
[ 4 000 - 6 000 [	821	1%	2,582,669	0%

[ 6 000 - 8 000 [	5,174	6%	26,145,025	2%
[ 8 000 - 10 000 [	9,251	10%	58,838,933	6%
[ 10 000 - 12 000 [	13,086	15%	97,600,487	9%
[ 12 000 - 14 000 [	12,886	14%	115,299,911	11%
[ 14 000 - 16 000 [	12,096	13%	126,923,073	12%
[ 16 000 - 18 000 [	9,476	11%	115,213,830	11%
[ 18 000 - 20 000 [	6,883	8%	95,831,958	9%
[ 20 000 - 22 000 [	5,931	7%	93,239,613	9%
[ 22 000 - 24 000 [	4,233	5%	74,043,224	7%
[ 24 000 - 26 000 [	3,142	3%	61,982,177	6%
[ 26 000 - 28 000 [	2,106	2%	46,718,358	4%
[ 28 000 - 30 000 [	1,529	2%	37,655,442	4%
[ 30 000 - 32 000 [	1,144	1%	30,605,302	3%
[ 32 000 - 34 000 [	654	1%	19,019,130	2%
[ 34 000 - 36 000 [	490	1%	15,357,580	1%
[ 36 000 - 38 000 [	288	0%	9,623,391	1%
[ 38 000 - 40 000 [	224	0%	8,151,199	1%
[ 40 000 - 42 000 [	163	0%	6,061,624	1%
[ 42 000 - 44 000 [	102	0%	4,178,201	0%
[ 44 000 - 46 000 [	80	0%	3,356,736	0%
[ 46 000 - 48 000 [	52	0%	2,380,973	0%
[ 48 000 - 50 000 [	44	0%	2,088,478	0%
[ 50 000 - 52 000 [	22	0%	1,029,756	0%
[ 52 000 - 54 000 [	2	0%	82,838	0%
[ 54 000 - 56 000 [	4	0%	185,943	0%
[ 56 000 - 58 000 [	1	0%	48,534	0%
[ 58000	1	0%	25,491	0%
	89,940	100%	1,054,398,438	100%

Outstanding Principal Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	5,038	6%	6,672,728	1%
[ 2 000 - 4 000 [	7,574	8%	22,749,312	2%
[ 4 000 - 6 000 [	8,168	9%	40,964,977	4%
[ 6 000 - 8 000 [	10,399	12%	74,303,682	7%
[ 8 000 - 10 000 [	11,111	12%	100,082,423	9%
[ 10 000 - 12 000 [	9,974	11%	109,101,156	10%
[ 12 000 - 14 000 [	8,952	10%	116,125,205	11%
[ 14 000 - 16 000 [	7,728	9%	115,680,024	11%
[ 16 000 - 18 000 [	5,459	6%	92,414,577	9%
[ 18 000 - 20 000 [	4,053	5%	76,916,796	7%
[ 20 000 - 22 000 [	2,998	3%	62,690,971	6%
[ 22 000 - 24 000 [	2,228	2%	51,152,337	5%
[ 24 000 - 26 000 [	1,733	2%	43,212,821	4%
[ 26 000 - 28 000 [	1,275	1%	34,391,230	3%
[ 28 000 - 30 000 [	1,043	1%	30,229,295	3%
[ 30 000 - 32 000 [	692	1%	21,410,973	2%
[ 32 000 - 34 000 [	466	1%	15,352,461	1%
[ 34 000 - 36 000 [	311	0%	10,855,956	1%
[ 36 000 - 38 000 [	222	0%	8,218,291	1%
[ 38 000 - 40 000 [	159	0%	6,191,003	1%
[ 40 000 - 42 000 [	118	0%	4,830,570	0%
[ 42 000 - 44 000 [	85	0%	3,647,117	0%

[ 44 000 - 46 000 [	59	0%	2,654,663	0%
[ 46 000 - 48 000 [	49	0%	2,302,535	0%
[ 48 000 - 50 000 [	46	0%	2,247,337	0%
[ 50 000 - 52 000 [	-	0%	-	0%
[ 52 000 - 54 000 [	-	0%	-	0%
[ 54 000 - 56 000 [	-	0%	-	0%
[ 56 000 - 58 000 [	-	0%	-	0%
[ 58000	-	0%	-	0%
	89,940	100%	1,054,398,438	100%

<i>Original Loan to Value Ratio</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	-	0.00%	-	0%
[ 10,00% - 20,00% [	99	0.11%	350,876	0%
[ 20,00% - 30,00% [	836	0.93%	4,574,820	0%
[ 30,00% - 40,00% [	2,641	2.94%	17,315,491	2%
[ 40,00% - 50,00% [	6,271	6.97%	46,908,252	4%
[ 50,00% - 60,00% [	10,268	11.42%	91,165,359	9%
[ 60,00% - 70,00% [	13,335	14.83%	145,609,316	14%
[ 70,00% - 80,00% [	18,051	20.07%	229,887,741	22%
[ 80,00% - 90,00% [	19,406	21.58%	270,697,622	26%
[ 90,00% - 100,00% [	11,697	13.01%	157,510,059	15%
[ 100,00%	7,336	8.16%	90,378,902	9%
	89,940	100%	1,054,398,438	100%

<i>Effective Interest Rate</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 1,00% [	-	0%	-	0%
[ 1,00% - 2,00% [	567	1%	2,157,892	0%
[ 2,00% - 3,00% [	1,103	1%	7,959,300	1%
[ 3,00% - 4,00% [	4,432	5%	26,353,001	2%
[ 4,00% - 5,00% [	9,124	10%	68,155,811	6%
[ 5,00% - 6,00% [	22,105	25%	211,541,618	20%
[ 6,00% - 7,00% [	15,447	17%	211,113,410	20%
[ 7,00% - 8,00% [	7,920	9%	109,392,637	10%
[ 8,00% - 9,00% [	18,892	21%	243,201,728	23%
[ 9,00% - 10,00% [	6,291	7%	105,423,376	10%
[ 10,00%	4,059	5%	69,099,667	7%
	89,940	100%	1,054,398,438	100%

<i>Alimentation</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
	16,708	19%	181,877,933	17%
Diesel	24,317	27%	305,984,113	29%
Electrique	900	1%	17,871,434	2%
Hybride	11,170	12%	156,702,838	15%
GPL	1,104	1%	12,508,953	1%
Essence	35,735	40%	379,359,768	36%
Gaz Natural	6	0%	93,400	0%
	89,940	100%	1,054,398,438	100%

<i>Car Brand</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	29,917	33%	332,296,669	32%
Citroen	26,960	30%	226,751,054	22%
Fiat	12,623	14%	159,683,449	15%
Opel	6,401	7%	87,676,973	8%
Jeep	4,710	5%	104,138,198	10%
DS	1,085	1%	21,182,725	2%
Lancia	2,830	3%	32,867,453	3%
Alfa Romeo	1,096	1%	31,067,115	3%
Abarth	88	0%	1,953,752	0%
Maserati	4	0%	103,905	0%
Others	4,226	5%	56,677,146	5%
	89,940	100%	1,054,398,438	100%

<i>Payment Mode</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	89,582	100%	1,051,055,639	100%
Postal Transfer	355	0%	3,298,383	0%
Manual Payment	-	0%	-	0%
Check	3	0%	44,416	0%
Others	-	0%	-	0%
	89,940	100%	1,054,398,438	100%

<i>Zone of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	42,357	47%	482,847,763	46%
Centro	23,715	26%	287,048,558	27%
South	23,868	27%	284,502,117	27%
	89,940	100%	1,054,398,438	100%

<i>Region of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	17,522	19%	191,167,008	18%
Lazio	9,788	11%	114,319,058	11%
Emilia-Romagna	7,735	9%	93,718,744	9%
Sicilia	6,436	7%	75,725,595	7%
Veneto	7,332	8%	86,119,831	8%
Piemonte	4,745	5%	53,760,696	5%
Campania	7,542	8%	89,352,778	8%
Toscana	8,113	9%	102,606,912	10%
Puglia	3,619	4%	47,898,899	5%
Calabria	3,456	4%	41,763,961	4%
Abruzzo	2,317	3%	27,429,950	3%
Sardegna	1,999	2%	21,182,501	2%
Marche	1,748	2%	20,787,632	2%
Friul-Venezia Giulia	2,321	3%	26,271,018	2%
Umbria	1,469	2%	18,552,062	2%

Liguria	1,431	2%	16,570,202	2%
Trentino Alto Adige	710	1%	9,432,158	1%
Basilicata	816	1%	8,578,383	1%
Valle d Aosta	561	1%	5,808,106	1%
Molise	280	0%	3,352,944	0%
	89,940	100%	1,054,398,438	100%

<i>Type of Contract</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Balloon Standard	2,194	2%	19,562,681	2%
Balloon Loyalty	30,758	34%	474,500,751	45%
Linear	56,988	63%	560,335,007	53%
	89,940	100%	1,054,398,438	100%

<i>Balloon payment as % of PRICE CAR</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	1,500	5%	10,296,230	2%
[ 10,00% - 20,00% [	422	1%	4,041,289	1%
[ 20,00% - 30,00% [	304	1%	5,170,338	1%
[ 30,00% - 40,00% [	3,112	9%	39,740,393	8%
[ 40,00% - 50,00% [	13,004	39%	183,015,810	37%
[ 50,00% - 60,00% [	11,002	33%	182,120,805	37%
[ 60,00% - 70,00% [	3,608	11%	69,678,566	14%
[ 70,00% - 80,00% [	-	0%	-	0%
[ 80,00% - 90,00% [	-	0%	-	0%
[ 90,00%	-	0%	-	0%
	32,952	100%	494,063,431	100%

<i>Balloon payment as % of PRICE CAR</i>	47.99%
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<i>Credit Score</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Green	68,092	76%	804,583,884	76%
Orange	20,629	23%	234,813,163	22%
Red	1,097	1%	14,208,116	1%
Others	122	0%	793,275	0%
	89,940	100%	1,054,398,438	100%

## SUMMARY TABLE

CUT-OFF DATE	04/10/2023
Aggregate Outstanding Loan Principal Amount	749,999,551
Aggregate Original Loan Principal Amount	875,766,718
Number of Loans	52,131
Number of Obligors	51,836
Average Outstanding Loan Principal Amount	14,387
Balloon Payment on Aggregate Outstanding Balloon Loan Principal Amount	69.93%
Loan with Financed Services component on Aggregate Outstanding Loan Principal Amount	49.41%
New Car/Used Car (%)	87,56% / 12,44%
Private/Commercial (%)	94,23% / 5,77%
Linear/Balloon (%)	40,67% / 59,33%
Multistep/Monostep (%)	3,83% / 96,17%
Largest Borrower % on Outstanding Loan Principal Amount	0.02%
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount	0.07%
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount	0.13%
WEIGHTED AVERAGE	
Weighted Average Interest Rate	7.65%
Weighted Average Seasoning	8.89
Weighted Average Remaining Term	44.16
Weighted Average Original Term	53.05
Weighted Average Original LTV	76.0%
Portfolio WAL	2.58

Original Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 12 [	0	0%	-	0%
[ 12 - 18 [	7	0%	74,006	0%
[ 18 - 24 [	25	0%	165,154	0%
[ 24 - 30 [	423	1%	3,693,322	0%
[ 30 - 36 [	94	0%	640,025	0%
[ 36 - 42 [	13251	25%	201,949,440	27%
[ 42 - 48 [	114	0%	1,074,112	0%
[ 48 - 54 [	18714	36%	279,393,244	37%
[ 54 - 60 [	88	0%	1,059,183	0%
[ 60 - 66 [	10130	19%	135,247,282	18%
[ 66 - 72 [	90	0%	1,255,852	0%
[ 72 - 78 [	4666	9%	43,585,163	6%
[ 78 - 84 [	78	0%	1,167,529	0%
[ 84 - 96 [	1652	3%	23,596,290	3%
[ 96	2799	5%	57,098,947	8%
	52,131	100%	749,999,551	100%

Seasoning in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	21,469	41%	351,376,001	47%
[ 6 - 12 [	11,254	22%	181,371,641	24%
[ 12 - 18 [	10,127	19%	144,347,145	19%



[ 18 - 24 [	2,706	5%	37,286,325	5%
[ 24 - 30 [	427	1%	5,559,701	1%
[ 30 - 36 [	1,253	2%	14,136,453	2%
[ 36 - 42 [	462	1%	5,030,803	1%
[ 42 - 48 [	112	0%	964,495	0%
[ 48 - 54 [	773	1%	2,419,751	0%
[ 54 - 60 [	2,054	4%	4,634,368	1%
[ 60 - 66 [	795	2%	1,820,474	0%
[ 66 - 72 [	606	1%	895,642	0%
[ 72 - 78 [	63	0%	126,693	0%
[ 78 - 84 [	30	0%	30,057	0%
[ 84	-	0%	-	0%
	52,131	100%	749,999,551	100%

<i>Current Term to Maturity in Months</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 6 [	1,763	3%	5,435,857	1%
[ 6 - 12 [	2,197	4%	9,901,782	1%
[ 12 - 18 [	2,518	5%	22,572,451	3%
[ 18 - 24 [	4,591	9%	59,462,473	8%
[ 24 - 30 [	4,135	8%	63,033,155	8%
[ 30 - 36 [	9,081	17%	140,944,877	19%
[ 36 - 42 [	4,090	8%	64,860,432	9%
[ 42 - 48 [	10,186	20%	149,946,388	20%
[ 48 - 54 [	2,078	4%	31,752,064	4%
[ 54 - 60 [	5,277	10%	89,300,106	12%
[ 60 - 66 [	696	1%	10,503,321	1%
[ 66 - 72 [	1,530	3%	24,381,541	3%
[ 72 - 78 [	288	1%	5,033,396	1%
[ 78 - 84 [	955	2%	16,709,674	2%
[ 84	2,746	5%	56,162,033	7%
	52,131	100%	749,999,551	100%

<i>Origination Year</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2016	7	0%	5,071	0%
2017	205	0%	336,178	0%
2018	2,132	4%	4,443,066	1%
2019	2,019	4%	5,450,404	1%
2020	1,088	2%	11,965,202	2%
2021	1,683	3%	21,142,067	3%
2022	17,699	34%	259,063,434	35%
2023	27,298	52%	447,594,129	60%
	52,131	100%	749,999,551	100%

<i>Original Financed Amount (€)</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	-	0%	-	0%
[ 2 000 - 4 000 [	14	0%	42,831	0%
[ 4 000 - 6 000 [	298	1%	1,289,516	0%

[ 6 000 - 8 000 [	2,117	4%	12,581,842	2%
[ 8 000 - 10 000 [	3,729	7%	27,791,597	4%
[ 10 000 - 12 000 [	6,310	12%	55,813,731	7%
[ 12 000 - 14 000 [	7,086	14%	74,762,632	10%
[ 14 000 - 16 000 [	7,551	14%	93,682,321	12%
[ 16 000 - 18 000 [	6,308	12%	91,430,108	12%
[ 18 000 - 20 000 [	4,787	9%	78,392,105	10%
[ 20 000 - 22 000 [	4,088	8%	73,614,883	10%
[ 22 000 - 24 000 [	2,848	5%	57,996,445	8%
[ 24 000 - 26 000 [	2,181	4%	48,075,736	6%
[ 26 000 - 28 000 [	1,523	3%	36,931,574	5%
[ 28 000 - 30 000 [	1,138	2%	30,091,116	4%
[ 30 000 - 32 000 [	795	2%	22,013,511	3%
[ 32 000 - 34 000 [	478	1%	14,524,484	2%
[ 34 000 - 36 000 [	352	1%	11,444,708	2%
[ 36 000 - 38 000 [	201	0%	6,878,148	1%
[ 38 000 - 40 000 [	137	0%	5,021,488	1%
[ 40 000 - 42 000 [	80	0%	2,996,177	0%
[ 42 000 - 44 000 [	38	0%	1,489,843	0%
[ 44 000 - 46 000 [	29	0%	1,209,053	0%
[ 46 000 - 48 000 [	19	0%	834,139	0%
[ 48 000 - 50 000 [	13	0%	616,264	0%
[ 50 000 - 52 000 [	8	0%	380,962	0%
[ 52 000 - 54 000 [	-	0%	-	0%
[ 54 000 - 56 000 [	2	0%	68,855	0%
[ 56 000 - 58 000 [	-	0%	-	0%
[ 58 000	1	0%	25,483	0%
	52,131	100%	749,999,551	100%

Outstanding Principal Amount (€)	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0 - 2 000 [	2,419	5%	2,924,595	0%
[ 2 000 - 4 000 [	1,564	3%	4,505,208	1%
[ 4 000 - 6 000 [	1,552	3%	7,922,781	1%
[ 6 000 - 8 000 [	3,193	6%	23,082,481	3%
[ 8 000 - 10 000 [	4,935	9%	44,903,841	6%
[ 10 000 - 12 000 [	6,114	12%	67,225,522	9%
[ 12 000 - 14 000 [	6,803	13%	88,421,580	12%
[ 14 000 - 16 000 [	6,450	12%	96,506,732	13%
[ 16 000 - 18 000 [	5,109	10%	86,652,027	12%
[ 18 000 - 20 000 [	3,909	7%	74,148,496	10%
[ 20 000 - 22 000 [	2,950	6%	61,696,479	8%
[ 22 000 - 24 000 [	2,162	4%	49,615,384	7%
[ 24 000 - 26 000 [	1,592	3%	39,703,496	5%
[ 26 000 - 28 000 [	1,120	2%	30,156,295	4%
[ 28 000 - 30 000 [	861	2%	24,931,054	3%
[ 30 000 - 32 000 [	502	1%	15,516,197	2%
[ 32 000 - 34 000 [	347	1%	11,432,201	2%
[ 34 000 - 36 000 [	218	0%	7,599,131	1%
[ 36 000 - 38 000 [	150	0%	5,539,768	1%
[ 38 000 - 40 000 [	75	0%	2,919,361	0%
[ 40 000 - 42 000 [	45	0%	1,835,889	0%
[ 42 000 - 44 000 [	23	0%	987,074	0%

[ 44 000 - 46 000 [	16	0%	722,002	0%
[ 46 000 - 48 000 [	10	0%	468,145	0%
[ 48 000 - 50 000 [	12	0%	583,814	0%
[ 50 000 - 52 000 [	-	0%	-	0%
[ 52 000 - 54 000 [	-	0%	-	0%
[ 54 000 - 56 000 [	-	0%	-	0%
[ 56 000 - 58 000 [	-	0%	-	0%
[ 58 000	-	0%	-	0%
	52,131	100%	749,999,551	100%

<i>Original Loan to Value Ratio</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	-	0.00%	-	0%
[ 10,00% - 20,00% [	64	0.12%	318,179	0%
[ 20,00% - 30,00% [	616	1.18%	4,082,720	1%
[ 30,00% - 40,00% [	1,643	3.15%	13,221,374	2%
[ 40,00% - 50,00% [	3,351	6.43%	31,010,548	4%
[ 50,00% - 60,00% [	5,823	11.17%	67,253,140	9%
[ 60,00% - 70,00% [	8,671	16.63%	121,869,046	16%
[ 70,00% - 80,00% [	11,575	22.20%	180,738,632	24%
[ 80,00% - 90,00% [	11,264	21.61%	187,791,177	25%
[ 90,00% - 100,00% [	5,846	11.21%	95,835,505	13%
[ 100,00%	3,278	6.29%	47,879,230	6%
	52,131	100%	749,999,551	100%

<i>Effective Interest Rate</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 1,00% [	-	0%	-	0%
[ 1,00% - 2,00% [	30	0%	159,921	0%
[ 2,00% - 3,00% [	316	1%	4,778,277	1%
[ 3,00% - 4,00% [	1,696	3%	10,557,470	1%
[ 4,00% - 5,00% [	3,275	6%	24,732,725	3%
[ 5,00% - 6,00% [	6,514	12%	99,521,123	13%
[ 6,00% - 7,00% [	7,639	15%	119,768,993	16%
[ 7,00% - 8,00% [	13,104	25%	195,639,014	26%
[ 8,00% - 9,00% [	12,888	25%	188,194,134	25%
[ 9,00% - 10,00% [	4,798	9%	76,080,676	10%
[ 10,00%	1,871	4%	30,567,218	4%
	52,131	100%	749,999,551	100%

<i>Alimentation</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Diesel	14,655	28%	229,334,412	31%
Electrique	815	2%	18,239,736	2%
Hybride	4,941	9%	78,315,524	10%
GPL	639	1%	6,596,110	1%
Essence	24,049	46%	324,127,242	43%
Gaz Natural	-	0%	-	0%
Others	7,032	13%	93,386,527	12%
	52,131	100%	749,999,551	100%

<i>Car Brand</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	19,993	38%	300,757,441	40%
Citroen	16,664	32%	207,909,343	28%
Fiat	4,751	9%	60,235,683	8%
Opel	3,758	7%	56,555,343	8%
Jeep	2,146	4%	48,862,773	7%
DS	1,116	2%	26,849,695	4%
Lancia	1,691	3%	19,205,738	3%
Alfa Romeo	125	0%	2,238,135	0%
Abarth	48	0%	993,889	0%
Maserati	2	0%	74,560	0%
Others	1,837	4%	26,316,950	4%
	52,131	100%	749,999,551	100%

<i>Payment Mode</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	51,947	100%	748,172,906	100%
Postal Transfer	184	0%	1,826,645	0%
Manual Payment	-	0%	-	0%
Check	-	0%	-	0%
Others	-	0%	-	0%
	52,131	100%	749,999,551	100%

<i>Zone of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	24,178	46%	349,488,218	47%
Central	14,267	27%	204,943,446	27%
South	13,686	26%	195,567,887	26%
	52,131	100%	749,999,551	100%

<i>Region of residence</i>	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	9,425	18%	132,802,034	18%
Lazio	6,066	12%	88,663,911	12%
Emilia-Romagna	5,017	10%	74,760,355	10%
Veneto	4,462	9%	65,808,291	9%
Toscana	4,647	9%	64,207,579	9%
Sicilia	3,664	7%	53,328,480	7%
Campania	4,473	9%	64,680,812	9%
Piemonte	2,387	5%	33,505,190	4%
Calabria	1,874	4%	26,431,261	4%
Puglia	1,997	4%	29,428,224	4%
Abruzzo	1,317	3%	19,210,786	3%
Friul-Venezia Giulia	1,281	2%	18,478,255	2%
Sardegna	1,238	2%	15,768,486	2%
Marche	1,164	2%	16,359,589	2%
Umbria	949	2%	14,559,810	2%

Liguria	851	2%	12,575,134	2%
Basilicata	440	1%	5,930,624	1%
Valle d Aosta	365	1%	5,215,020	1%
Trentino Alto Adige	390	1%	6,343,939	1%
Molise	124	0%	1,941,772	0%
	52,131	100%	749,999,551	100%

Type of Contract	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Balloon Standard	771	1%	11,337,957	2%
Balloon Loyalty	25,347	49%	433,654,994	58%
Linear	26,013	50%	305,006,600	41%
	52,131	100%	749,999,551	100%

Balloon payment as % of PRICE CAR	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[ 0,00% - 10,00% [	399	2%	5,389,509	1%
[ 10,00% - 20,00% [	259	1%	4,000,605	1%
[ 20,00% - 30,00% [	166	1%	2,818,472	1%
[ 30,00% - 40,00% [	2,360	9%	38,550,957	9%
[ 40,00% - 50,00% [	10,280	39%	169,542,911	38%
[ 50,00% - 60,00% [	10,095	39%	175,684,700	39%
[ 60,00% - 70,00% [	2,559	10%	49,005,798	11%
[ 70,00% - 80,00% [	-	0%	-	0%
[ 80,00% - 90,00% [	-	0%	-	0%
[ 90,00%	-	0%	-	0%
	26,118	100%	444,992,951	100%

Balloon payment as % of PRICE CAR 49.08%

Credit Score	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Green	40,628	78%	589,183,195	79%
Orange	11,004	21%	153,327,957	20%
Red	482	1%	7,398,757	1%
Others	17	0%	89,642	0%
	52,131	100%	749,999,551	100%

### **Historical Performance Data**

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

#### **Static cumulative quarterly gross defaults (in percentages)**

The gross default data displayed below are in static format and show cumulative gross defaults from the quarter when the auto loans are originated, expressed as a percentage of the original principal balance of each portfolio originated in a given quarter.

#### **Static cumulative quarterly recoveries (in percentages)**

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

#### **Dynamic quarterly delinquencies**

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

#### **Dynamic quarterly prepayments**

The prepayments data displayed below is in dynamic format and shows for a given quarter the quarterly prepayment rate, calculated as ratio of (i) the total outstanding balance of all auto loans at the start of the relevant quarter to (ii) the total outstanding balance of auto loans that prepaid in the relevant quarter.

#### **Loan to value – Level of collateralization**

The ratio between (i) the Outstanding Balance of the Initial Portfolio as of the First Selection Date and (ii) the Principal Amount Outstanding of the Senior Notes and the Mezzanine Notes (excluding the Class E Notes) as of the Issue Date equals to 100%.







## HISTORICAL PERFORMANCE (DYNAMIC QUARTERLY DELINQUENCIES)

	Quarter	Outstanding	Not Delinquent	Delinquencies Outstanding (1-10 days)	Delinquencies Outstanding (11-30 days)	Delinquencies Outstanding (31-60 days)	Delinquencies Outstanding (61-90 days)	Delinquencies Outstanding (91-120 days)	Delinquencies Outstanding (121-149 days)	Delinquencies Outstanding (>=150 days)
<b>2013</b>	<b>Q1</b>	Mar-13 919,769,965	92.77%	0.00%	1.63%	0.48%	0.36%	0.20%	0.20%	4.96%
	<b>Q2</b>	Jun-13 905,704,084	92.38%	0.00%	1.59%	0.48%	0.32%	0.49%	0.18%	4.56%
	<b>Q3</b>	Sep-13 882,143,412	92.11%	0.00%	1.98%	0.59%	0.45%	0.25%	0.21%	5.02%
	<b>Q4</b>	Dec-13 877,271,992	92.60%	0.00%	1.57%	0.57%	0.33%	0.21%	0.21%	5.11%
<b>2014</b>	<b>Q1</b>	Mar-14 880,598,152	92.44%	0.00%	1.15%	0.63%	0.36%	0.15%	0.19%	5.07%
	<b>Q2</b>	Jun-14 871,525,896	91.93%	0.00%	1.71%	0.50%	0.27%	0.24%	0.21%	5.13%
	<b>Q3</b>	Sep-14 851,545,650	92.23%	0.00%	1.27%	0.60%	0.40%	0.24%	0.17%	5.09%
	<b>Q4</b>	Dec-14 838,104,510	94.13%	0.00%	1.15%	0.44%	0.26%	0.16%	0.18%	3.68%
<b>2015</b>	<b>Q1</b>	Mar-15 837,890,430	94.50%	0.00%	0.91%	0.41%	0.28%	0.20%	0.13%	3.58%
	<b>Q2</b>	Jun-15 836,196,177	94.63%	0.00%	1.06%	0.39%	0.23%	0.15%	0.13%	3.42%
	<b>Q3</b>	Sep-15 838,955,985	95.02%	0.00%	0.84%	0.36%	0.21%	0.20%	0.15%	3.23%
	<b>Q4</b>	Dec-15 864,932,957	95.98%	0.00%	0.86%	0.23%	0.16%	0.11%	0.10%	2.55%
<b>2016</b>	<b>Q1</b>	Mar-16 894,944,298	96.12%	0.00%	0.80%	0.41%	0.15%	0.14%	0.09%	2.29%
	<b>Q2</b>	Jun-16 938,656,831	96.34%	0.00%	0.79%	0.25%	0.19%	0.14%	0.16%	2.14%
	<b>Q3</b>	Sep-16 958,270,448	96.53%	0.00%	0.77%	0.26%	0.13%	0.10%	0.08%	2.13%
	<b>Q4</b>	Dec-16 1,020,586,638	97.05%	0.00%	0.60%	0.20%	0.13%	0.10%	0.09%	1.82%
<b>2017</b>	<b>Q1</b>	Mar-17 1,084,598,911	97.27%	0.00%	0.72%	0.19%	0.11%	0.04%	0.06%	1.57%
	<b>Q2</b>	Jun-17 1,140,625,472	97.37%	0.00%	0.70%	0.26%	0.08%	0.12%	0.06%	1.40%
	<b>Q3</b>	Sep-17 1,177,333,407	97.60%	0.00%	0.59%	0.18%	0.09%	0.10%	0.11%	1.32%
	<b>Q4</b>	Dec-17 1,260,697,443	97.92%	0.00%	0.52%	0.16%	0.09%	0.06%	0.05%	1.19%
<b>2018</b>	<b>Q1</b>	Mar-18 1,349,385,881	98.08%	0.00%	0.50%	0.16%	0.12%	0.04%	0.04%	1.06%
	<b>Q2</b>	Jun-18 1,424,295,017	98.12%	0.00%	0.51%	0.16%	0.10%	0.07%	0.05%	0.99%
	<b>Q3</b>	Sep-18 1,458,598,225	98.26%	0.00%	0.50%	0.14%	0.08%	0.05%	0.05%	0.92%
	<b>Q4</b>	Dec-18 1,545,879,675	98.14%	0.00%	0.59%	0.17%	0.13%	0.06%	0.04%	0.86%
<b>2019</b>	<b>Q1</b>	Mar-19 1,647,379,236	98.29%	0.00%	0.55%	0.18%	0.09%	0.05%	0.05%	0.79%
	<b>Q2</b>	Jun-19 1,726,245,370	98.43%	0.00%	0.51%	0.15%	0.06%	0.06%	0.05%	0.74%
	<b>Q3</b>	Sep-19 1,773,398,963	98.43%	0.00%	0.53%	0.14%	0.09%	0.05%	0.05%	0.71%
	<b>Q4</b>	Dec-19 1,848,352,123	98.46%	0.00%	0.46%	0.13%	0.13%	0.07%	0.04%	0.71%
<b>2020</b>	<b>Q1</b>	Mar-20 1,880,720,838	97.97%	0.00%	0.84%	0.20%	0.12%	0.06%	0.04%	0.76%
	<b>Q2</b>	Jun-20 1,888,228,839	98.52%	0.25%	0.24%	0.12%	0.10%	0.06%	0.04%	0.67%
	<b>Q3</b>	Sep-20 1,942,483,685	98.37%	0.36%	0.25%	0.20%	0.07%	0.05%	0.02%	0.68%
	<b>Q4</b>	Dec-20 1,996,148,488	98.51%	0.31%	0.25%	0.15%	0.05%	0.04%	0.03%	0.66%
<b>2021</b>	<b>Q1</b>	Mar-21 2,078,520,744	98.47%	0.38%	0.23%	0.18%	0.04%	0.03%	0.02%	0.65%
	<b>Q2</b>	Jun-21 2,122,843,755	98.52%	0.34%	0.26%	0.14%	0.04%	0.03%	0.03%	0.64%
	<b>Q3</b>	Sep-21 2,074,660,732	98.25%	0.47%	0.27%	0.17%	0.09%	0.06%	0.03%	0.65%
	<b>Q4</b>	Dec-21 2,028,843,424	98.20%	0.37%	0.35%	0.23%	0.05%	0.04%	0.03%	0.73%
<b>2022</b>	<b>Q1</b>	Mar-22 2,025,565,816	98.23%	0.46%	0.27%	0.16%	0.04%	0.04%	0.03%	0.75%
	<b>Q2</b>	Jun-22 2,001,225,318	98.06%	0.45%	0.35%	0.23%	0.06%	0.04%	0.03%	0.79%
	<b>Q3</b>	Sep-22 1,973,126,695	98.03%	0.47%	0.33%	0.22%	0.05%	0.04%	0.03%	0.83%
	<b>Q4</b>	Dec-22 1,946,003,384	98.06%	0.32%	0.34%	0.27%	0.07%	0.04%	0.02%	0.87%
<b>2023</b>	<b>Q1</b>	Mar-23 1,932,819,296	97.85%	0.51%	0.34%	0.27%	0.07%	0.04%	0.04%	0.88%
	<b>Q2</b>	Jun-23 2,017,109,688	97.80%	0.53%	0.37%	0.27%	0.06%	0.05%	0.04%	0.88%
	<b>Q3</b>	Sep-23 2,266,145,238	97.86%	0.43%	0.38%	0.31%	0.10%	0.06%	0.04%	0.82%
	<b>Q4</b>	Dec-23 2,689,816,383	98.22%	0.29%	0.35%	0.29%	0.07%	0.04%	0.04%	0.75%
<b>2024</b>	<b>Q1</b>	Mar-24 3,217,335,869	98.32%	0.37%	0.30%	0.18%	0.07%	0.06%	0.04%	0.67%

## HISTORICAL PERFORMANCE (DYNAMIC QUARTERLY PREPAYMENTS)

Vintage Quarter		Capital Restant Du (€)	Prepayments	Prepayment Rate	#
2013	Q1	0	7,599,314	0.00%	
	Q2	886,457,688	7,889,602	0.89%	
	Q3	871,034,390	6,444,067	0.74%	
	Q4	845,285,938	7,113,997	0.84%	
2014	Q1	839,884,536	6,669,168	0.79%	
	Q2	842,849,044	7,335,108	0.87%	
	Q3	833,327,799	6,218,891	0.75%	
	Q4	813,671,401	7,928,531	0.97%	
2015	Q1	812,461,166	7,631,426	0.94%	
	Q2	812,944,733	7,825,428	0.96%	
	Q3	812,369,788	6,580,746	0.81%	
	Q4	816,034,783	8,231,447	1.01%	
2016	Q1	846,538,817	8,615,785	1.02%	
	Q2	877,580,322	9,487,663	1.08%	
	Q3	921,896,997	8,432,219	0.91%	
	Q4	941,329,347	10,514,147	1.12%	
2017	Q1	1,004,966,058	10,949,906	1.09%	
	Q2	1,069,836,444	13,134,335	1.23%	
	Q3	1,126,957,517	9,709,069	0.86%	
	Q4	1,163,987,176	12,930,563	1.11%	
2018	Q1	1,247,968,861	14,027,774	1.12%	
	Q2	1,337,134,242	14,554,036	1.09%	
	Q3	1,412,063,883	12,333,755	0.87%	
	Q4	1,447,108,798	15,695,782	1.08%	
2019	Q1	1,534,282,554	16,557,482	1.08%	
	Q2	1,636,447,770	16,575,212	1.01%	
	Q3	1,715,534,091	14,064,027	0.82%	
	Q4	1,766,326,445	19,657,239	1.11%	
2020	Q1	1,836,569,089	18,804,743	1.02%	
	Q2	1,867,857,935	12,190,573	0.65%	
	Q3	1,875,517,490	18,336,426	0.98%	
	Q4	1,928,468,110	23,755,539	1.23%	
2021	Q1	1,981,447,884	26,555,594	1.34%	
	Q2	2,063,143,632	28,184,634	1.37%	
	Q3	2,107,987,049	21,242,906	1.01%	
	Q4	2,058,624,564	25,678,641	1.25%	
2022	Q1	2,013,607,345	32,268,642	1.60%	
	Q2	2,009,819,728	27,515,044	1.37%	
	Q3	1,985,081,512	24,702,979	1.24%	
	Q4	1,956,861,098	27,383,860	1.40%	
2023	Q1	1,930,112,346	31,834,339	1.65%	
	Q2	1,916,587,349	30,812,596	1.61%	
	Q3	2,004,463,299	28,170,098	1.41%	

## THE SELLER, THE SERVICER, THE CASH MANAGER AND THE JUNIOR NOTES SUBSCRIBER

Stellantis Financial Services Italia S.p.A. (**SFS Italia**) (formely, Banca PSA Italia S.p.A.) is a joint stock company (*società per azioni*), incorporated under the laws of Italy whose registered office is located at Via Plava, 80, 10135, Turin, with VAT registration No. 08822460963, registered in the Register of Enterprises of Turin and in the special register held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act

Banca PSA Italia S.p.A. (**BPSA**) was an Italian bank, indirectly owned 50% by Santander Consumer Finance, S.A. – through Santander Consumer Bank S.p.A. - and 50% by Banca PSA Finance, S.A. (**BPF**). BPSA is subject to the management and coordination of Santander Consumer Bank S.p.A.

With more than 40 years of experience and professionalism at the service of the clients' wishes as Italian branch of BPF, BPSA became an Italian bank with the authorisation to exercise the bank activity that has been obtained by the Bank of Italy on 24 September 2015. The Seller has expertise in originating receivables of a similar nature of the Receivables, in accordance with the requirements of the EU Securitisation Regulation.

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

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

On 16 January 2021, through the merger between PSA group and FCA group, was born the Stellantis Group of which BPSA was, indirectly, now part (through shareholding of BPF).

Following the above mentioned merger, SCF and Stellantis have renegotiated the terms of the collaboration they established in 2014 for the financing of Peugeot, Citroën and DS vehicles and they signed a non-binding agreement establishing the conditions for financing the vehicles of all the car Stellantis Group's brands in seven European countries: Belgium, Spain, Luxemburg, France, Netherlands, Italy, Poland and Portugal.

On April 3rd, 2023 a new terms of cooperation started involving all the Financial Services companies operating in the Stellantis Group in Europe. BPF has been renamed Stellantis Financial Services SA (SFS) and BPSA has been renamed Stellantis Financial Services Italia S.p.A. (SFS Italia) with the related activities totally based in Italy.

According to the new terms of the collaboration, SCF and Stellantis would act as a captive finance company with exclusivity in the credit business and financial leasing, and without exclusivity in operational leasing renting for individuals, for all Stellantis brands in the countries previously indicated. The brands are Abarth, Alfa Romeo, Citroën, DS, Fiat, Fiat Professional, Jeep, Lancia, Maserati, Opel and Peugeot.

SFS Italia has a key function in Stellantis strategy to offer customers integrated products, financing and service packages that meet their needs. SFS Italia strengthens relationships with car dealers by providing them with a full array of specially tailored financing and services sales support systems.

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

In terms of wholesale financing, SFS Italia finances the new vehicles and replacement parts inventories to all the Stellantis Brands above mentioned and all car dealer networks, as well as meeting certain other working capital and equipment financing needs.

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<sup>1</sup> Service offered by PSA Renting Italia S.p.A.

SFS Italia head office is located at Via Plava 80, 10135 Turin, Italy.

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

SFS Italia is a credit institution (as defined in Article 1.1 of Directive 2000/12/CE) and its "home Member State" (as that term is defined in Article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to Article 1.6 of Directive 2000/12/EC) is located within the territory of the Republic of Italy, therefore the Seller would be subject to Italian insolvency laws that do not contain severe clawback provisions within the meaning of Articles 20(2), 20(3) and 24(3) of the EU Securitisation Regulation.

In addition, although as at the date of this Prospectus 50 per cent. of the share capital of SFS Italia is owned by SFS, in case of insolvency of SFS the French laws would not *per se* apply to a possible claw back action aimed at the recovery of SFS Italia's assets on the basis that SFS Italia would be subject to insolvency proceedings only to the extent that it is found to be insolvent.

## UNDERWRITING AND SERVICING PROCEDURES

### 1. ORIGINATION

#### General Information

##### *Description of the Seller's dealer network*

SFS Italia products are marketed and distributed through the points of sale of Stellantis Group dealers.

SFS Italia's network is composed of 4 regional Areas split in 57 geographical areas, mixed between Stellantis Brands dealership. Every area is followed by a "Business Manager", which is responsible of the management and follow up of the entire area.

The 57 business manager on the territory, coordinated by 4 Regional Sales Manager, are responsible for:

- training (together with the dedicated Business Coach Team (5 FTEs+ 1 Training Specialists) dealers' salespeople
- Promoting the utilization of the SFS finance and insurance products and promo campaign
- monitoring dealer performance
- Supporting dealers on every administrative and technical issue acting as primary point of contact with SFS organization

Each dealer enters into a "Dealer Sales Agreement" according to which it has to fulfil specific criteria (material, human and financial) required from Stellantis Brands depending on its status. SFS Italia primary network includes dealers that distribute products of SFS Italia, secondary network includes points of sale that can distribute products of SFS Italia and points of sale that do not distribute financial products of SFS Italia. In Italy, there are 251 primary dealers and 440 secondary network legal entities for a total of 1129 points of sale (as of July 2023).

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

The admission of dealers to the secondary network requires some checks with public external databases (Chamber of Commerce) using CRIF provider.

### 2. LOAN UNDERWRITING

#### *Underwriting process*

The underwriting process is under the responsibility of the underwriting department that employs 46 HC.

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

The global underwriting responsibility is separated in two main areas:

- the risk direction by the retail credit risk manager defines the acceptance policy to be applied by the underwriting department and manages the score system tool that assigns a score to all retail contracts in order to run the operational process for the loan applications.
- The operations direction by the underwriting service, under the above mentioned rules, is in charge of managing the process with main focus on the credit risk but also on the level of service, the service quality and in general on the process efficiency.

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

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

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

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

There are 6 separated credit analysis teams. They are mainly in charge of checking the document accuracy, their coherence with the registered data and providing the credit analysis and the credit decisions.

A third team named "Dealer Service" is in charge of two missions:

- dealer assistance: providing the assistance to salesman during the underwriting process by phone and web chat channels;
- credit data check: providing the control of the documents accuracy, their coherence with the registered data of the applications which are automatically approved by the score system.

The fourth team is the middle office. It is in charge of the liquidation of the financing contracts and the registrations and liquidations of the financial leasing contracts.

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

<b>Stages of the underwriting process</b>	<b>Controls performed by</b>	<b>Description</b>
Transfer of the financing request by the dealer	Credit Analyst	The dealer transfers the credit application and the related customer documents by intranet.
Complementary data acquisition	System	At the same time of data transmission, complementary data is obtained from external databases.
Automatic Checks	System	The system checks if the customer is mentioned in terrorist lists, justice lists, conflict of interest list and verifies specific data with anti-fraud public check systems. In case of a negative outcome or uncertainty the process requires manual intervention.

Credit Scoring	System	The specific IT tool (Scorix) records the application data, calculates the score and sends the final result to GP.
Data and documents check	Credit analysts (B2B or B2C) Manual decision or Credit Data Checks Automatic Decision	The agents check: <ul style="list-style-type: none"> <li>- the coherence between recorded data and documents provided;</li> <li>- the genuineness of the provided documents</li> <li>- the complete fulfilment of the contracts.</li> </ul>
Decision	System or credit analyst	In case of a scoring approval, the system registers the decision and sends the information to the car dealer.  In all other cases, by applying the credit policy, the credit analysts run their analysis and make a decision or, if needed, submit to the competent body the decision and register into GP. The decision is sent to the dealer by the system.
Pay-out of the credit	Middle Office Agent	Before the customer car delivery, the dealer sends the pay-out demand and the car figures via OPV.  The activity is recorded in the GP system and the funds are transferred to the car dealer.

### 3. RISK ASSESSMENT

#### ***Origination sources***

The channels of acquisition of SFS Italia are as follows:

1. retail network owned by the Stellantis (referred to as "own network");
2. dealer network of eleven brands (Peugeot, Citroën, DS, Opel, Abarth, Fiat, Lancia, Alfa Romeo, Fiat Professional, Jeep and Maserati);
3. sub-network of brands (authorised repair centres, known as 'agents');
4. 'white label' network, i.e. dealers not directly linked to a Stellantis Group brand; and
5. selling online channel.

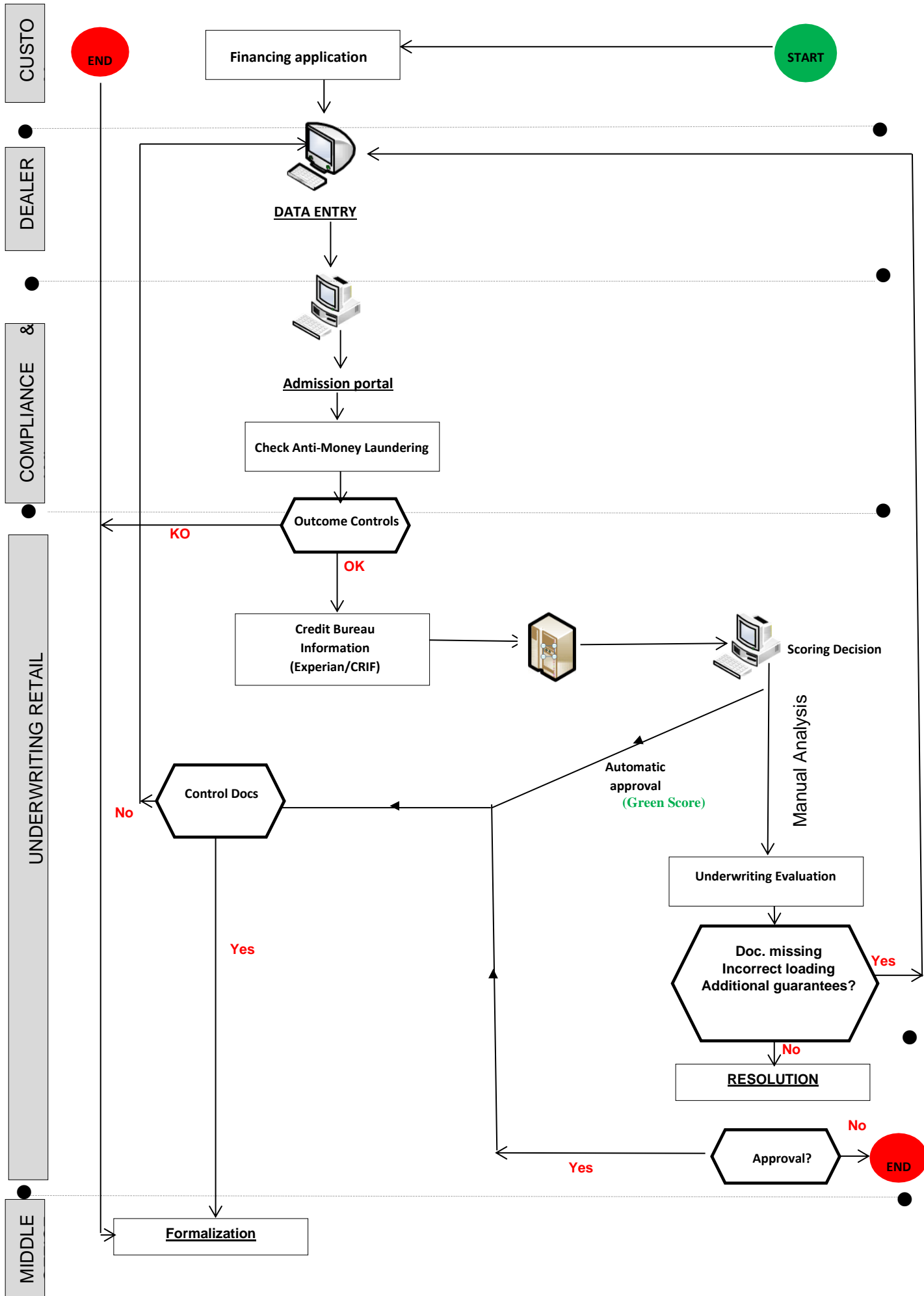
These subjects load the applications on the front-office portal and require the customer the necessary documentation. In the evaluation phase, additional documentation might be required by the Underwriting Office.

The applicant is required to provide the following documents:

Type of client	Identity document	Fiscal Code	Residence permit	Income statement/Financial statements	Car registration document	CCIAA	Beneficial owner form	Privacy
Private	✓	✓	✓ for non-EU citizens	✓ Latest pay slip for employees, latest pension for pensioner and latest income tax return for self-employed	✓ Only if the financing concerns used vehicles			✓
Company				✓ Financial statement of the last financial year (for Limited Company, automatically captured by external credit bureau CRIF)	✓ Only if the financing concerns used vehicles	✓ Automatically captured by external Credit bureau CRIF	✓	✓

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





## Database checks

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

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

➤ *SFS Italia's database* (internal information)

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

➤ *CRIF's and Experian's database* (external information)

The databases are managed privately and contains information on individuals who took out loans from Italian financial institutions (banks and finance companies) in the past. These databases enable an evaluation of the total debt of the relevant individual towards the entire financial system (any unpaid instalments; the historical payment series; the loans rejected/active/required with other banks; the total exposure of the customers; the type of the contracts required by the customers).

For each database a behavioral score is assigned (Perform 2.0 or No Hit Score), to highlight the strength, performance and ultimately the creditworthiness of each customer in a single score.

➤ *Scipafi's database* (external information)

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

## Credit Scoring System

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

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

The final system decision is based on scorecards and policy rules.

### Scorecards

The credit scoring system is processed on the basis of SFS Italia's experiences. The system uses 3 scoring grids: 2 for individuals and 1 for Small Medium Enterprises.

Development overview	Individuals VN	Individuals VO	SME
Target Population	Individuals / self employed	Individuals / self employed	SME
Segment	New Car/Leasing	Used Car	New Car / Leasing / Used

			Car
<b>Developer</b>	Banque PSA Finance	Nunnatac S.r.l.	Banque PSA Finance

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

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

The result of the scorecard can be:

Scorecard Rating	Risk Grade
<b>RED</b>	<b>HIGH</b>
<b>ORANGE</b>	<b>MEDIUM</b>
<b>GREEN</b>	<b>LOW</b>

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

#### *Policy Rules*

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

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

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

The system uses 3 sets of policy rules: 2 for individuals (34 rules for new car/leasing and 34 rules for used car) and 1 for Small Medium Enterprises (36 rules for all products).

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

#### *Final Rating*

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

Scorecard Rating	Policy Rules	Final System Decision	
<b>GREEN</b>	None	<b>GREEN</b>	Automatic Approval
	Manual	<b>ORANGE 02-03</b>	Manual Revision
	Reject	<b>RED</b>	Manual Reject

<b>ORANGE 01</b>	None	<b>ORANGE 01</b>	Manual Revision
	Manual	<b>ORANGE 02-03</b>	Manual Revision
	Reject	<b>RED</b>	Manual Reject
<b>RED</b>	None	<b>RED</b>	Manual Reject
	Manual	<b>RED</b>	Manual Reject
	Reject	<b>RED</b>	Manual Reject

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

Each zone has a different underwriting process:

- **Green** (automatic decision): a simplified analysis is made by the credit analyst on order to verify the correct data entry made by the dealers;
- **Orange01/02/03** (manual decision): these ratings are due to the score of the scorecard or to an active policy rule;
- **Red** (manual reject decision): this rating is due to the score of the scorecard or to an active policy rule. The applications obtaining a negative score may be overridden and accepted, but the analyst has to follow a "positive override procedure" (written by the Retail Risk Management and introduced in Sept. 2016). The Underwriting Analyst with the favorable opinion of the Head Underwriting Team or the B2B/B2C Coordinators (it signature on GP), inserting the necessary reasons on the admission portal, enclosing the necessary documentary evidence or uploading possible additional guarantees, can approve these applications. The Risk Department constantly will check the level of override and the respect of the procedure.

#### **Authorization levels**

The following table describes the authorization levels (approved by the Board of Directors in December 2023) for SFS Italia:

<b>Signature Level linked to exposure</b>	<b>Score ≠ GREEN</b>	<b>Score = GREEN</b>
<b>A</b>	Total exposure ≤ <b>60.000 €</b>	Verification of the data entered in the application, for the management of the credit evaluation. Max level of green zone: 60k€
<b>B</b>	Total exposure ≤ <b>70.000 €</b>	
<b>C</b>	Total exposure ≤ <b>100.000 €</b>	
<b>D</b>	Total exposure ≤ <b>200.000 €</b>	
<b>E</b>	Total exposure ≤ <b>250.000 €</b> (Joint delegation level Head of UW or Retail Credit Area Manager plus Head of Retail Risk or Retail Risk Analyst)	
<ul style="list-style-type: none"> <li>• If a Credit Analyst is absent, he/she may be replaced by colleague with same signature level and expertise.</li> <li>• In the event of the absence of colleague with same signature level the Credit Analyst may be</li> </ul>		

replaced for the period of absence by a colleague with a higher level of delegation,

- Subject to notification to the Retail Risk Service by the Head of Underwriting and the Operations Director a signature level may be extended for a limited period.
- The Operations Director and the Head of UW will be able to replace all roles as required (except E – Joint delegation level).

To assign a delegation level, it is necessary to follow a process described in the Retail Credit Procedure. The delegation levels are inserted in an internal portal by Retail Risk and they are activated automatically (in addition there is a policy rule that warns the analyst).

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

#### **4. MANAGEMENT OF PERFORMING LOANS AND COLLECTION PROCEDURES**

##### *Contractual Payment Methods*

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

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

##### *Prepayments*

Partial or full prepayments are allowed at any time during the life of the loan. For all the contracts, prepayments are subject to penalties equal to 1% of the outstanding balance of the loan if the remaining maturity is over 1 year and 0.5% if the remaining maturity is at least 1 year or less than 1 year, *provided that* in any case such penalty cannot exceed the amount of interest that the debtor would have paid on the loan until its final maturity date. Full prepayments are not subject to penalties if the prepayment is made in execution of a CPI insurance and if the residual loan amount is lower than 10.000,00 Euros.

##### *Late payments and Late Collection*

SFS Italia Collection Business Unit is divided in 3 teams: the Early Collection Service (10 FTEs), the Late Collection Service (14 FTEs) and the Control and Support Service (5 FTEs).

- Early Collection Team is responsible for the management of the Arrears portfolio (1-90 DPD<sup>2</sup>) The Early Collection Service is mainly responsible for Phone Collection activity.
- Late Collection Team is responsible for the Home Collection Service for 91-150 DPD perimeter and for the management of customers after the resolution of the contracts (Termination and Write Off perimeter > 150DPD).
- Control and Support Team is responsible for data analyses and reporting, in order to define and apply new strategies and is responsible for the development and the deployment of new local and corporate projects for the Collection Business Unit.

The Collection activity combines internal and external management with a risk-focused approach based on outstanding amount and Days Past Due.

In order to guarantee flexibility on the management of the portfolio and for improving results, SFS Italia

<sup>2</sup> Days Past Due, according to the Old Default Definition.

outsources collection activity of retail portfolio. Providers' governance consists of weekly briefings, daily checks on operating activities, daily monitoring of the recovery trend, bi-weekly meeting for forecast on recovery results. Phone Collection Providers manage different phases up to the 90<sup>th</sup> DPD.

The Early recovery process consists of 4 main phases:

- Phase 1-30 DPD: this phase is managed by two external providers. Providers manage an account up to 30 days past due after which the account is transferred to the other external providers.
- Phase 31-60 DPD: this phase is managed by two external agencies specialized in phone collection activity with team dedicated to SFS Portfolio.
- Phase 61-90 DPD: this phase is managed by two external agencies specialized in phone collection activity with team dedicated to SFS Portfolio.
- Phase 91-150 DPD: in this phase recovery actions are performed by external agencies through direct contact (home collection).

At the end of each bucket there is a switch of the negative positions between the agencies.

Contracts are allocated to external agencies according to their geographical area of competence.

Contracts are automatically transferred field collection in the following cases:

- overdue first instalment in case of suspected fraud;
- files that are difficult to manage by phone.

Upon appointment, the field collectors of the external agencies directly contact clients and a visit place in accordance with SFS Italia's officer who is responsible of the specific geographical area.

The type of collection activity, either by telephone or via field collection, depends on:

- outstanding amount
- days past due.

Operational information is shared through recovery tools (such as Col.To). Results of activities are then transferred into Ekip and the activity is supervised daily.

At the end of each bucket there is a switch of the negative positions between the agencies.

*Late Collection and Write Offs (accounts > 150 DPD)*

After the 151<sup>st</sup> DPD all accounts pass into Termination perimeter and a registered mail is sent to the client<sup>3</sup>.

In Termination perimeter, collection activities are done by external agencies and, in case of specific characteristics, by a Law Firm.

The termination process consists of different phases: each phase has a duration of 3 or 6 months. At the end of each phase, portfolio is switched between providers. The Portfolio is managed by external agencies specialized in home collection activity. The termination process ends with the writing-off of the contracts.

From the 360<sup>th</sup> DPD, if there are some specific conditions, accounts can be assigned to a Law Firm that evaluates the opportunity for a judicial action.

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<sup>3</sup> There is a different type of letter depending on the contract (e.g.: Termination Letter to apply the Acceleration Clause for leasing contracts, Legal Notice and Termination Letter for retail contracts).

Write Off process: an account is usually written-off by SFS Italia after 24 months (leasing product) or 48 months (loan product). There are some exceptions to this rule, such as fraud or full and final settlement. Positions must be Written-off are monthly analysed with the approval of the Head of Late Collection Team.

Write Off portfolio is managed by external provider (field collection activity) and after 6 months position are switched between the agencies.

## EU SECURITISATION REGULATION - RETENTION AND TRANSPARENCY REQUIREMENTS

### Risk retention requirements

Under the Intercreditor Agreement, the Seller has undertaken that it will:

- (a) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5 (five) per cent. in the Securitisation through an interest in randomly selected exposures, in accordance with option (c) of Article 6(3), of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and of Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures). Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures as at each relevant Purchase Date;
- (b) not change the manner in which the net economic interest set out above is held until the Notes are redeemed or repaid in full, save as permitted by the EU Securitisation Regulation and the applicable Regulatory Technical Standards and by the UK Securitisation Regulation (as such regulation is interpreted and applied on the date hereof and not taking into account any relevant national measures);
- (c) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with Article 6(3)(c) of the EU Securitisation Regulation and Article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures) and give relevant information to the Noteholders, prospective transferee of the Notes and the competent authorities in this respect on a monthly basis through the Sec Reg Investor Report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement;
- (d) notify to the Noteholders any change to the manner in which the material net economic interest set out above is held;
- (e) not to split the material net economic interest held by it amongst different types of retainers; such material net economic interest is not to be subject to any credit-risk mitigation or hedging, in accordance with Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and article 6(3) of the UK Securitisation Regulation (as such article is interpreted and applied on the date hereof and not taking into account any relevant national measures).

In addition, the Seller has undertaken that the manner in which the material net economic interest is held:

- (a) on the Issue Date, shall be disclosed in this section of the Prospectus;
- (b) following the Issue Date, on a monthly basis, shall be included in the Sec Reg Investor Report to be provided by the Seller, as Reporting Entity, directly or through the Calculation Agent (or other agents) on each Sec Reg Report Date, pursuant to the terms of the Cash Allocation Management and Payments Agreement and the Intercreditor Agreement.

### Transparency Requirements

Pursuant to the Intercreditor Agreement the Seller has been designated as Reporting Entity in accordance with and for the purposes of Article 7(2) of the EU Securitisation Regulation.

In such capacity, the Seller, will deal and comply with the transparency requirements provided for by the EU Securitisation Regulation under the Securitisation. Particularly:



- (a) as to pre-pricing information, under the Intercreditor Agreement the Seller has confirmed that it has made available to the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential 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 and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, (ii) through the section of this Prospectus headed "*The Aggregate Portfolio*" and the Securitisation Repository, data on static and 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, covering a period of at least 5 (five) years, pursuant to Article 22(1) and Article 24(14) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Prospectus, [www.bloomberg.com](http://www.bloomberg.com)) and Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.
- (b) as to post closing information, under Intercreditor Agreement, the Seller has undertaken to the Issuer, the Arrangers and the Representative of the Noteholders, that it will, on a monthly basis within each Sec Reg Report Date:
- (i) at its own expenses, prepare and deliver, through publication on the Securitisation Repository, to the Issuer, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Arrangers, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent, the Sec Reg Asset Level Report based on the information available to it and on certain information contained in the latest Investor Report, and containing all the information set forth under Article 7(1)(a) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards (including, *inter alia*, the information related to the environmental performance of the assets financed by the relevant Auto Loan, if available);
- (ii) prepare and deliver (directly or through the Calculation Agent or other agents), in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, the Sec Reg Investor Report. In particular, the Seller:
- (1) within 10 Business Days prior to each Sec Reg Report Date, has undertaken to deliver to the Calculation Agent, the Servicer, the Account Bank, the Arrangers, the Representative of the Noteholders, and the Paying Agent via email all the information available to it for the purposes of allowing the Calculation Agent to produce – on behalf of the Reporting Entity – prior to each Sec Reg Report Date, in accordance with the Cash Allocation Management and Payments Agreement, the Sec Reg Investor Report. In providing such information, the Seller has undertaken to comply with the provisions of Article 7(1)(e) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; and
- (2) has undertaken, upon the receipt of the Sec Reg Investor Report from the Calculation Agent pursuant to clause 8.9 of the Cash Allocation Management and Payments Agreement, to make available the Sec Reg Investor Report to the Noteholders, the prospective transferees of the Notes and the competent authorities referred to in Article 29 of the EU Securitisation Regulation on the Securitisation Repository; and
- (iii) in compliance with Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation, notify

through the Inside Information and Significant Event Report, prepared by the Calculation Agent on behalf of the Seller, on the basis of the form provided under the applicable Regulatory Technical Standards (Annex XIV), without delay upon the occurrence of the relevant event or the awareness of the relevant information and in any case also within each Sec Reg Report Date, and make available on the Securitisation Repository, to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and prospective noteholders any significant event relating to the Securitisation, including, without limitation:

- (1) a material breach of the obligations provided for in any of the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;
  - (2) a change in the structural features that can materially impact the performance of the Securitisation;
  - (3) a change in the risk characteristics of the Securitisation or of the Receivables that can materially impact the performance of the Securitisation;
  - (4) any material amendment to the Transaction Documents;
  - (5) any material changes from prior underwriting standards, including explanation of the purpose of the change;
  - (6) the occurrence of any of the following events: (a) Sequential Redemption Event; (b) Trigger Events; (iii) Regulatory Call Events; (iv) Issuer Tax Events; (v) Monthly Servicing Report Delivery Failure Events; and (vi) Amortisation Events;
  - (7) any inside information relating to the Securitisation that the Reporting Entity is obliged to make public in accordance with Article 17 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation (if applicable);
- (iv) comply with any other requirement imposed by the EU Securitisation Regulation and its applicable implementing Regulatory Technical Standards on originators which have agreed to retain on an ongoing basis a material net economic interest in securitisations and to act as reporting entities in compliance with the EU Securitisation Regulation.

The Intercreditor Agreement or the other Transaction Documents provide no obligation for the Seller or any other party to comply and deal with the transparency requirements provided for by the UK Securitisation Regulation.

Under the Intercreditor Agreement, the Seller has been designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.

In addition, under the Intercreditor Agreement the Reporting Entity has undertaken to make available (also through its agents) to any Noteholders involved in an ABCP programme, upon their request, the information in its possession being necessary so as to allow the compliance with the transparency requirements provided for by the EU Securitisation Regulation under the relevant ABCP programme and ABCP transaction.

## THE ACCOUNT BANK AND PAYING AGENT

*The information contained herein relates to BNP Paribas and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by BNP Paribas, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of each of BNP Paribas since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.*

BNP Paribas is a company incorporated under the laws of France licensed to conduct banking operations, having its registered office at Boulevard des Italiens No. 16, Paris, France, registered with the Chamber of Commerce of Paris under No. 662 042 449, with a fully paid-up share capital of Euro 2,294,954,818, which acts for the purposes hereof through its Italian branch, whose offices are located in Piazza Lina Bo Bardi, No. 3, Milan, enrolled in the register of the banks held by the Bank of Italy under No. 5482, Fiscal code and VAT code No. 04449690157, REA No. 731270 (**BNP Paribas**).

The Securities Services business of BNP Paribas is a multi-asset servicing specialist with local expertise in 35 markets around the world and a global reach covering 90+ markets. This extensive network enables the Securities Services business of BNP Paribas to provide institutional investor clients with the connectivity and local knowledge they need to navigate change in a fast-moving world.

As of 30 December 2023, Securities Services business of BNP Paribas had USD 13.7 trillion in assets under custody, USD 2.6 trillion in assets under administration and 9,208 funds administered.

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

Fitch	Moody's	DBRS	S&P
Short term F1+	Short term Prime-1	Short term R-1 (middle)	Short-term A-1
Long term senior debt AA-	Long term senior debt Aa3	Long term senior debt AA (low)	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook Stable	Outlook Stable

In the context of this Securitisation, BNP Paribas will act as Account Bank and Paying Agent.

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

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

**Zenith Global S.p.A.** is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Corso Vittorio Emanuele II, 24/28 - 20122, Milan, Italy, fully paid share capital of Euro 2,000,000, fiscal code and enrolment with the Companies' Register of Milan-Monza-Brianza-Lodi under No. 02200990980 - belonging to the Arrow Global - VAT Group No. 11407600961, enrolled under No. 30 in the *albo unico degli intermediari finanziari* held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act - ABI Code 32590.2 (**Zenith**).

In the context of this Securitisation, Zenith acts as Corporate Servicer, Calculation Agent and Representative of the Noteholders.

## THE ISSUER

### Introduction

The Issuer was incorporated on 9 June 2023 by means of a quotaholder's resolution dated 6 June 2023 as a limited liability company with a sole quotaholder (*società a responsabilità limitata con unico socio*) under the laws of the Republic of Italy and pursuant to the Securitisation Law.

The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities and operates under the laws of the Republic of Italy. The Issuer has no employees and no subsidiaries.

The Issuer was incorporated under the denomination "Auto ABS Italian Stella Loans 2023-1 S.r.l." as it carried out the Previous Securitisation in 2023, being its first deal.

Subsequently, on 27 March 2024 the Issuer's denomination was changed in "Auto ABS Italian Stella Loans S.r.l." so as to reflect its second deal, being the Securitisation described in this Prospectus.

The Issuer's registered office is situated at Milan, Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, telephone No. +39 02.7788051. The Issuer is registered in the Register of Enterprises held in Milan - Monza – Brianza- Lodi, under No. 12996670969 and in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 12 December 2023 under No. 48475.8.

The by-laws (*statuto*) of the Issuer provide that the present life of the company ends on 31 December 2100.

The authorised and issued capital of the Issuer is Euro 10,000.00, fully paid up. The current Quotaholder of the Issuer is Special Purpose Entity Management 2 S.r.l., which holds the entire quota capital of the Issuer. The corporate capital of the Quotaholder is not directly or indirectly controlled by any other entity.

Information relating to the Issuer is available at the following website <https://www.luxse.com/issuer/AutoABSStella/112914>. Such information does not form part of this Prospectus, unless it is clearly stated that any such information is incorporated by reference.

### Issuer's principal activities

The principal corporate object of the Issuer as set out in Article 2 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

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

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

### Capitalisation and indebtedness statement

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

<i>Capital</i>	<i>Euro</i>
Issued, authorised and fully paid-up capital	10,000
<i>Loan Capital</i>	<i>Euro</i>

Class A Notes	1,062,000,000
Class B Notes	78,000,000
Class C Notes	34,800,000
Class D Notes	25,200,000
Class E Notes	13,200,000
Class Z Notes	2,300,000
Class A Notes (previous transaction)	660,000,000
Class B Notes (previous transaction)	42,000,000
Class C Notes (previous transaction)	17,250,000
Class D Notes (previous transaction)	30,750,000
Class E Notes (previous transaction)	247,777.01
Class Z Notes (previous transaction)	1,000,000
<i>Total Capitalisation and Indebtedness</i>	1,966,757,777.01

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

#### **Sole director, statutory auditor and external auditors**

The Issuer is managed by a sole director whose name is Mrs. Solidea Barbara Maccioni, appointed at the Issuer's incorporation until resignation or revocation. The domicile of Mrs. Solidea Barbara Maccioni, in her capacity of sole director of the Issuer, is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy. There are no relevant activities carried out (other than that of sole director) by the sole director to be reported.

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

#### **Administration**

Pursuant to the Corporate Services Agreement and the Intercreditor Agreement, the Corporate Servicer has agreed to provide certain corporate administration, management, accounting and administrative services to the Issuer including, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholder and directors, maintaining the quotaholder's register, preparing VAT and other tax and accounting

records, preparing the Issuer's annual financial statements and administering all matters relating to the taxation of the Issuer.

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

### **Quotaholder's Agreement**

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

### **No material litigation**

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

### **Financial Statements and Auditors' Report**

The Issuer's financial year end is 31 December of each calendar year.

## THE INTEREST RATE SWAP PROVIDER

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

**Banco Santander, S.A.**, a credit entity incorporated under the laws of Spain as a sociedad anónima whose registered office is at Paseo de Pereda 9-12, 39004 Santander (Spain), and whose operating headquarters are in Ciudad Grupo Santander, Avda. de Cantabria, s/n, 28660 Boadilla del Monte, Madrid (Spain), registered with the Bank of Spain under No. 0049 and with Spanish Tax Identification No. (NIF) A-39000013.

In the context of this Securitisation, **Banco Santander, S.A** acts, inter alia, as Interest Rate Swap Provider.



## USE OF PROCEEDS

The net proceeds arising from the issue of the Notes (being Euro 1,215,500,000) will be applied on the Issue Date as follows:

- (a) to pay Euro 1,199,999,605.42 as Purchase Price of the Initial Portfolio to the Seller (being understood that such Purchase Price will be paid by using the net proceeds arising from the issue of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes only, being equal to Euro 1,200,000,000);
- (b) to fund the Retention Amount (being understood that such Retention Amount will be paid by using the net proceeds arising from the issue of the Junior Notes only, being equal to Euro 2,300,000);
- (c) to fund the General Reserve Required Amount (being understood that such General Reserve Required Amount will be paid by using the net proceeds arising from the issue of the Class E Notes only, being equal to Euro 13,200,000); and
- (d) to credit any amount remaining after making payments under items (a) to (c) (inclusive) above to the Collection Account.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

### 1. MASTER RECEIVABLES TRANSFER AGREEMENT

On the Execution Date, the Seller, the Issuer, the Calculation Agent and the Representative of the Noteholders entered into a Master Receivables Transfer Agreement pursuant to which the Seller may assign and transfer to the Issuer various Portfolios of Receivables without recourse (*pro soluto*) and in accordance with articles 1 and 4 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein. The Seller has assigned and transfer to the Issuer the Initial Portfolio on the First Purchase Date and will assign and transfer the Additional Portfolios on each Subsequent Purchase Date during the Revolving Period, in each case, in accordance with and subject to the terms and conditions of the Master Receivables Transfer Agreement.

#### *Selection and offer of Receivables*

On the First Purchase Date, the Seller has assigned the Initial Portfolio to the Issuer, without recourse (*pro soluto*).

No later than 5:00 p.m. (Italian time) on each Subsequent Purchase Date during the Revolving Period, the Seller may (in its sole discretion) propose to the Issuer to purchase from it without recourse (*pro soluto*), an Additional Portfolio which will comprise Receivables selected on the relevant Subsequent Selection Date. The Master Receivables Transfer Agreement contains also appropriate early termination provisions and trigger for the termination of the Revolving Period.

The offer to assign the Initial Portfolio has been, and each offer to assign an Additional Portfolio shall be, made by the Seller by delivering a Transfer Offer to the Issuer (with copy to the Servicer and the Calculation Agent). Each Transfer Offer must be substantially in the form set out in Schedule 1 (*Form of Transfer Offer*) to the Master Receivables Transfer Agreement and include an Offer File setting out the main information relating to the Receivables comprised in the relevant Portfolio offered for sale.

Each Transfer Offer shall (i) bear the next consecutive number with respect to that of the immediately preceding Transfer Offer; and (ii) constitute an irrevocable offer by the Seller to sell to the Issuer all of the Seller's right and title to the Portfolio comprising the Receivables identified in the relevant Transfer Offer, in accordance with Clause 2 (Sales of Receivables) and the other applicable provisions of the Master Receivables Transfer Agreement.

Each Offer File shall include the details of each Receivable offered for sale, with at least the following information:

- (a) the identification code of the Auto Loan Contract from which the relevant Receivable arises;
- (b) the identification code of the relevant Debtor together with the indication of the taxpayer's code number and/or VAT number of the relevant Debtor;
- (c) the Outstanding Balance of the relevant Receivable as at the relevant Selection Date and the original outstanding balance of the relevant Receivable as at the date of disbursement of the relevant Auto Loan; and
- (d) the Individual Purchase Price of the relevant Receivable.

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

- (a) the Contractual Interest Rate applicable to the relevant Auto Loan;
- (b) the amount of the Instalments of the relevant Auto Loan, including, with reference to the Balloon Auto Loan Contracts, the relevant Balloon Instalment;

- (c) whether the relevant Auto Loan was granted to finance the purchase of a New Car or a Used Car;
- (d) the brand of the Car which is financed by the relevant Auto Loan Contract;
- (e) whether the relevant Auto Loan was granted to a Private Debtor or a Commercial Debtor;
- (f) the Province of the relevant Debtor;
- (g) the relevant RAE (*Ramo di attività economica*) and SAE (*Settore di attività economica*) code of the relevant Commercial Debtor pursuant to the applicable Bank of Italy's regulations;
- (h) the origination date and the maturity date of the relevant Receivable;
- (i) the method of payment of the relevant Auto Loan agreed with the relevant Debtor;
- (j) the purchase price of the Car financed by the relevant Auto Loan;
- (k) the accounting/management status of the relevant Auto Loan.

*Acceptance of the Transfer Offers and assignment of Receivables*

Subject to the terms of the Master Receivables Transfer Agreement and, in particular, the conditions precedent set out thereunder, the Issuer shall accept any relevant Transfer Offer by delivering a Transfer Acceptance to the Seller (with copy to the Servicer and the Calculation Agent) substantially in the form of Schedule 2 (*Form of Transfer Acceptance*) to the Master Receivables Transfer Agreement.

Each Transfer Acceptance delivered pursuant to the Master Receivables Transfer Agreement shall constitute an acceptance by the Issuer to purchase from the Seller on the relevant Purchase Date all of the Seller's right and title to the Portfolio comprising the Receivables identified in the relevant Transfer Offer, in accordance with Clause 2 (*Sales of Receivables*) and the other applicable provisions of the Master Receivables Transfer Agreement.

Under the Master Receivables Transfer Agreement, the Parties have agreed that the assignment and transfer of each Portfolio under the Master Receivables Transfer Agreement will be made in accordance with the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein. Particularly:

- (a) the assignment and transfer of the Initial Portfolio will be made pursuant to article 4 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein not "in block", by publishing a notice thereof on the Official Gazette of the Republic of Italy indicating the names of the seller (i.e. SFS Italia) and of the purchaser (i.e. the Issuer), as well as the date of the assignment and transfer thereof; and
- (b) the assignment and transfer of each Additional Portfolio will be made pursuant to article 5, paragraphs 1, 1-*bis* and 2 of the Italian Factoring Law.

For the purposes of article 4, paragraph 1 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein, the Parties expressly confirm that upon performance of the following actions (the Transfer Formalities):

- (a) the publication of the Official Gazette Notice of Assignment (as defined below), in respect of each Receivable comprised in the Initial Portfolio; or
- (b) the payment to the Seller, in whole or in part, of the relevant Individual Purchase Price in accordance with the provisions of the Italian Factoring Law, in respect of each Receivable

comprised in each Additional Portfolio,

the assignment and transfer of the relevant Receivable from the Seller to the Issuer will become enforceable (*opponibile*) against:

- (a) any prior assignees of such Receivable, who have not perfected its/their assignment by way of (A) notifying the relevant Debtor or (B) making the relevant Debtor acknowledge the assignment by an acceptance bearing a date certain at law (*data certa*) or in any other way permitted by applicable law, in each case prior to the date of the performance of the applicable Transfer Formalities;
- (b) a receiver in the insolvency of the Seller, to the extent that such state of insolvency has been declared after the date of the performance of the applicable Transfer Formalities; and
- (c) any creditors of the Seller who have not commenced enforcement by means of obtaining an attachment order (*pignoramento*) in respect of the relevant Receivable prior to the date of the performance of the applicable Transfer Formalities.

#### *Notice to the Obligors*

The Seller has undertaken under the Master Receivables Transfer Agreement to provide also for the purposes of article 1264 of the Italian Civil Code, each Obligor with a notice of assignment at the time of the first communication related to each purchased Receivable which will be sent to the relevant Obligor (containing also any relevant information to be given to the Obligor in compliance with the provisions of Italian Privacy Law and the GDPR), this communication, with reference to the relevant Debtor, being a "*Comunicazione periodica alla clientela*", pursuant to article 119 of the Italian Banking Act. For such purpose and in order to ensure the compliance with the provisions of article 119 of the Italian Banking Act, the Seller shall send a notice of assignment to each relevant Debtor, to each Car Dealer and to each Car Manufacturer, by using a specific form for each respective category of Obligors listed above.

#### *Purchase Price*

The Purchase Price of each Portfolio assigned and transferred by the Seller to the Issuer under the Master Receivables Transfer Agreement shall be equal to the aggregate of the Individual Purchase Prices of all relevant Receivables comprised in the relevant Portfolio.

#### *Payment of the Purchase Price in respect of the Initial Portfolio*

The Purchase Price of the Initial Portfolio has been calculated as at the First Selection Date. The Seller shall transfer to the Collection Account, on the Issue Date, all Available Collections and Recoveries received in respect of the Initial Portfolio from (and excluding) the First Selection Date to the Issue Date (excluded).

Subject to the satisfaction of the conditions precedent set out in Schedule 7 (*Conditions Precedent to any Transfer Acceptance*), paragraph A of the Master Receivables Transfer Agreement, and the completion of the relevant formalities provided for under of the Master Receivables Transfer Agreement, the Purchase Price of the Initial Portfolio, will be paid by the Issuer to the Seller on the Issue Date, by crediting the relevant amount to the Seller Account, out of the net proceeds of the issue of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

#### *Payment of the Purchase Price in respect of Additional Portfolios*

Subject to the provisions of the Master Receivables Transfer Agreement, including without limitation the satisfaction of the conditions precedent applicable to each Subsequent Purchase Date, the Purchase Price of each Additional Portfolio assigned to the Issuer will be paid to the Seller on the Payment Date immediately succeeding the relevant Subsequent Purchase Date out of the Available

Distribution Amounts available for such purpose, in accordance with the applicable Priority of Payments.

*Interest Accrual*

Under the Master Receivables Transfer Agreement, the Parties have agreed and acknowledged that each Portfolio assigned and transferred by the Seller to the Issuer under the Master Receivables Transfer Agreement does not include, as per the Initial Portfolio, and will not include, as per each Additional Portfolio, the relevant Interest Accrual. Therefore, each such Interest Accrual belong and will belong to SFS Italia. As a result, the latter, in its capacity as Servicer, will be entitled to retain all Collections and Recoveries which will be made in respect of the Interest Accrual of each Portfolio (and, if received by the Issuer, such Interest Accrual will have to be paid-back by the latter to the Seller on the Payment Date immediately following the relevant receipt, irrespective of the Priority of Payments).

*Repurchase in case of Non-Permitted Renegotiations*

Under the Master Receivables Transfer Agreement, the Seller has undertaken to repurchase any Receivable (other than Defaulted Receivables) in respect of which the Servicer has entered into any renegotiations which are Non-Permitted Renegotiations under the terms of the Servicing Agreement. The Seller has undertaken to complete such repurchase within 4 (four) Business Days after the second Information Date following the Collection Period in which such Non-Permitted Renegotiation was made (the **Non-Permitted Renegotiation Repurchase Date**). At completion of any such repurchase, the Seller shall pay to the Issuer on the Non-Permitted Renegotiation Repurchase Date (by transferring the relevant amount to the Collection Account) an amount equal to the Repurchase Amount for the relevant Receivable(s) and, promptly following such payment, the Issuer shall execute and deliver to the Seller (in such place as the Seller shall reasonably direct, subject to the Seller's indemnification, on an after-tax basis, against any costs (including Taxes) associated therewith) any document the Seller may reasonably specify to give effect to such repurchase.

*Representations, Warranties and Undertakings of the Seller*

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

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

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

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

Under the Master Receivables Transfer Agreement, the parties have expressly acknowledged and agreed that each representation and warranty of the Seller is given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provision of article 1495 *et seq.* of the Italian Civil Code shall not apply in respect thereto and the relevant remedies and indemnity obligations as set out in the Master Receivables Transfer Agreement, shall remain valid until the earlier of (i) the date on which the Senior Notes and the Mezzanine Notes have been repaid or cancelled in full or (ii) the date on which all Receivables comprised in the Aggregate Portfolio owned by the Issuer have been either written off or paid in full and no sums are due and payable by any Obligor or the Seller to the Issuer under the Master Receivables Transfer Agreement. Moreover, the Seller has acknowledged and agreed that all such representations, warranties and undertakings are of essence to the Issuer and are considered as one of the essential and determining conditions to the Issuer for the purpose of entering into the Master Receivables Transfer Agreement.

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

- (a) the following representations in respect of the Seller and the execution of the Transaction Documents:
  - (i) **Status:** the Seller is a joint stock company (*società per azioni*) duly incorporated and validly existing under the laws of the Republic of Italy;
  - (ii) **Non-Violation:** the execution, signing and delivery of the Master Receivables Transfer Agreement and the performance of any of its obligations under the Master Receivables Transfer Agreement have been duly authorised by all necessary corporate bodies and do not require any additional approvals or consents or any other action by or any notice to or filing with any person and do not contravene any limitation imposed by or contained in (a) any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject, (b) any agreement, indenture, mortgage, deed of trust, bond, or any other document, instrument or obligation to which it is a party or by which any of its assets or revenues is bound or affected, or (c) any document which contains or establishes its constitution.
  - (iii) **Capacity:** the signatories of the Seller have the necessary capacity, power, authority and legal right to execute and perform the Master Receivables Transfer Agreement and any other Transaction Documents to which the Seller is a party;
  - (iv) **Obligations Binding:** the Seller's obligations arising under the Master Receivables Transfer Agreement are legal, valid and binding on the Seller and enforceable against it in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws and any general principle of law applicable affecting the enforcement of the rights of creditors generally.
  - (v) **No Insolvency:** the Seller is not Insolvent, nor an order is made or an effective resolution is passed for the Winding-Up of the Seller in accordance with the applicable laws, nor is it unable to pay its debt as they fall due and would not become unable to do so in consequence of entering into the Master Receivables Transfer Agreement or performing of any of its obligation hereunder;
  - (vi) **No action, suit, proceeding, or investigation:** there is no action, suit, proceeding, or investigation pending or, to the best of the Seller's knowledge, threatened against it that would adversely affect the assignment and transfer of any Receivables or the execution, delivery, or enforceability of the Transaction Documents or challenge the validity of the Transaction Documents;

- (vii) **No materially untrue statement of fact:** no statement, report, or other agreement, document, or instrument furnished by the Seller pursuant to the Transaction Documents contains any materially untrue statement of fact or omits to state a fact necessary to make the statements contained therein not misleading;
  - (viii) **Obligations and undertakings of the Seller:** the Seller has duly performed all of its obligations and undertakings under the Auto Loan Contracts, the Insurance Policies (including the payment of the relevant premium) and any other documents, deeds or agreements related thereto;
  - (ix) **Transaction Documents:** the Seller has full knowledge of the procedures of the Securitisation as well as the terms and conditions of each of the Transaction Documents to which it is or will be a party;
  - (x) **No obligations of the Issuer:** the Seller recognises and accepts that the Issuer shall not have any obligation in connection with, or arising from, any Auto Loan Contract and it may not be required to perform any of the obligations whatsoever (including, but not limited to, any obligation of reimbursement in favour of the Debtor) of the Seller (or one of its agents) under the terms of the said Auto Loan Contract, with the exception of any obligations which are consequent to the application of article 125-*quinquies* of the Italian Banking Act, in which case the provisions of Clause 11(b)(ii) of the Master Receivables Transfer Agreement shall apply;
  - (xi) **Applicable Requirements:** the Seller has complied in full with all the rules, principles, policies or guidelines by which it is regulated from time to time (together, the **Applicable Requirements**) and all licences, permissions, authorisations, registrations and consents required under the Applicable Requirements for the carrying on by it of its business are in full force and effect and have been complied with and so far as it is aware, there is no reason why any of them should be suspended or revoked or not renewed when due, save where any failure would not have a Material Adverse Effect;
  - (xii) **Underwriting and management procedures:** its underwriting and management procedures comply with applicable laws;
  - (xiii) **Seller's expertise:** SFS Italia has expertise in originating and servicing receivables of a similar nature of the Receivables, in accordance with articles 20(10) and 24(18) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
- (b) the following representations in respect of the Receivables:
- (i) **Receivables Eligibility Criteria and Global Portfolio Limits:** on the relevant Selection Date and Purchase Date, each Receivable complies with:
    - (1) the Receivables Eligibility Criteria (or, with respect to items (d), (j) and (k) of Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 2 (*Receivables Eligibility Criteria*), on the relevant Selection Date only); and
    - (2) when aggregated with all the other Receivables comprised in the Aggregate Portfolio and after taking into account the Receivables to be purchased on such Purchase Date, the Global Portfolio Limits;
  - (ii) **Assignment of the Receivables:** each Receivable is validly assigned and transferred on the relevant Purchase Date pursuant to, and in compliance with, the terms and conditions of the Master Receivables Transfer Agreement and the Securitisation Law;
  - (iii) **No insolvency or breach by the Debtors:** no Debtor:

- (1) is subject to judicial or insolvency proceedings; and
  - (2) is, or has been, since the date of the relevant Auto Loan Contract, in material breach of any obligation owed in respect of the relevant Auto Loan Contract;
- (iv) **Tax:** any Tax in relation to the Receivables has been duly and timely paid by the Seller;
  - (v) **True sale:** to the best of its knowledge, the Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale of such Receivables from the Seller to the Issuer, for the purposes of articles 20(1) and 24(1) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards
  - (vi) **Active portfolio management:** the Eligibility Criteria do not allow for active portfolio management of the Receivables on a discretionary basis, in accordance with articles 20(7) and 24(7) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
  - (vii) **Homogeneity:** the Receivables are homogenous (i) in the terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual credit risk and prepayment characteristics, and (ii) with reference to the homogeneity factors available for auto loans, in accordance with the articles 20(8) and 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
  - (viii) **Bindingness and enforceability:** the Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Obligors, in accordance with the articles 20(8) and 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
  - (ix) **Ordinary business of the Seller and underwriting standards:** the Receivables are originated in the ordinary course of the Seller's business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar receivables that are not securitised, in accordance with articles 20(10) and 24(18) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
  - (x) **Type of Receivables:** the Receivables do not include:
    - (1) transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, in accordance with the articles 20(8) and 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; and
    - (2) receivables arising out of loans secured by residential or commercial mortgages or fully guaranteed residential loans, as referred to in point (e) of the first subparagraph of Article 129(1) of regulation (EU) No 575/2013, in accordance with Article 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.
  - (xi) **Repayment method:** the Receivables have defined periodic payment streams, the instalments of which may differ in their amounts, relating to principal or interest payments and, with reference to the Balloon Auto Loan Contracts only, a Balloon Instalment that is higher than the other Instalments, in accordance with articles 20(8) and 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
  - (xii) **Weighted average life and residual maturity:** the Auto Loans out of which the



Receivables comprised in the Aggregate Portfolio arise have a remaining weighted average life of not more than 3 (three) and a half years, and none of such Auto Loans have a residual maturity of more than 6 (six) years, in accordance with article 24(15) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;

- (xiii) **Transfer on the Purchase Date:** the Receivables (other than the Receivables comprised in the Initial Portfolio) are going to be transferred from the Seller to the Issuer on each Purchase Date without undue delay after selection and in particular after no more than 1 (one) Business Day after the relevant Selection Date;
- (xiv) **Sale of asset:** none of the Receivables depends on the sale of assets to repay its outstanding principal as at the relevant contract maturity, also for the purposes of articles 20(13) and 24(11) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;
- (xv) **Credit assessment of the Debtors:** the Receivables comprised in the Aggregate Portfolio do not qualify as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) No. 575/2013 nor as exposures to a credit-impaired debtor or guarantor, who, to the best of the Seller's knowledge:
  - (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Purchase Date;
  - (2) 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 Seller or the original lender; or
  - (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Seller which have not been securitised,

in accordance with articles 20(11) and 24(9) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

The assessment of the Debtor's creditworthiness meets all the requirements set out under Article 8 of Directive 2008/48/EC, in accordance with article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;

- (xvi) **Risk weighting:** for the purpose of article 243, paragraph (2), letter (b), item (iii) of the CRR, as at the relevant Selection Date, the underlying exposures meet the conditions for being assigned, under the standardised approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 75% on an individual exposure basis for performing positions, since the Receivables comprised in the Aggregate Portfolio are retail exposures which comply with the criteria set out in article 123 of the CRR.
- (xvii) **Receivables selection:** in accordance with article 6(2) of the EU Securitisation Regulation, none of the Receivables comprised in the Initial Portfolio has been selected, and none of the Receivables comprised in any Additional Portfolio will be selected by the Seller with the aim of rendering losses on any of the Receivables sold to the Issuer, measured over a maximum of 4 years, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller.

- (xviii) **Risk Retention:** SFS Italia (a) has specific procedures that enables it to comply with the provisions of the Risk Retention Regulatory Technical Standards in respect of the Initial Portfolio and on an ongoing basis for the Additional Portfolio and (b) has put in place measures so as to mitigate possible risks of non-compliance in respect of the Risk Retention Regulatory Technical Standards.

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

- (a) **Continuation of the Auto Loan Contract:** not to terminate or act in a manner that could lead to the termination of any Auto Loan Contract, save where such termination results from the default of the relevant Debtor under that Auto Loan Contract;
- (b) **Rights of the Issuer in the Receivables:** not to act in a manner or make a decision that could prejudice the collectability, the substance or the rights of the Issuer in respect of any Receivable (whether existing or future);
- (c) **Auto Loan Contracts:** not to modify under any circumstance and for any reason whatsoever the terms and conditions of any Auto Loan Contract after the Purchase Date, except for any minor amendment which is made for the purposes of correcting manifest errors, save in its capacity as Servicer, in accordance with and subject to the terms and conditions of the Servicing Agreement, and only in its capacity as an agent of the Issuer thereunder; not to sell or otherwise dispose of any Auto Loan Contract after the Purchase Date;
- (d) **Maintenance of System:** to maintain an accounting system which is prepared and managed in accordance with generally accepted accounting principles;
- (e) **Maintenance of data:** to ensure that the data made available by the Seller can be used at all times without any licenses or other restrictions on its use by the Issuer, the Corporate Servicer, the Calculation Agent, the Servicer and the Representative of the Noteholders;
- (f) **Access:** to permit the Calculation Agent, the Issuer the Representative of Noteholders, the external auditors of the Seller acting on behalf of and on instruction of the Issuer, and any other agent and/or representatives of the Issuer to visit the offices of the Seller during normal office hours in order to:
- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are reasonably and properly entitled pursuant to the Master Receivables Transfer Agreement and which the Seller has failed to supply, within 10 (ten) days of receiving written notice of such failure;
  - (ii) upon reasonable prior notice, to verify any such information which has been provided and which any of the Calculation Agent, the Issuer the Representative of Noteholders has reason to believe is inaccurate; and
  - (iii) upon reasonable prior notice, examine the books, records and documents relating to the Receivables;
- (g) **Keeping of Records:** to keep and maintain and to take all necessary measures in order to provide the Servicer (or any successor servicer) with all necessary information and records required by the Servicer in order to keep and maintain records for each Receivable for the purpose of identifying at any time, in particular, the amounts which have been paid by or to any Obligor, which are to be paid by or to any Obligor, the source of payments which are paid to the Seller or the Servicer and the balance outstanding with respect to each Debtor. The Seller shall inform the Calculation Agent and the Issuer regarding any material change in its administrative or accounting procedures related to the preparation and maintenance of the records. The Seller

shall mark in its records each Receivable together with the related Ancillary Rights as sold and assigned to the Issuer;

- (h) **Underwriting and Management Procedures:** (i) to comply with its underwriting and management procedures with respect to each Receivable, the relevant Debtor, Auto Loan Contract and Ancillary Right as if each such Receivable has not been assigned and transferred hereunder and (ii) not to materially amend the underwriting and management procedures without the prior written consent of the Issuer, the Servicer and the Representative of the Noteholders;
- (i) **Sales, Liens:** except as otherwise provided for in the Master Receivables Transfer Agreement, not to sell, assign or otherwise dispose of, or create or allow to exist any ownership interest, lien, security interest, charge, encumbrance or any similar right upon or with respect to any Receivable (whether existing or future), any Ancillary Right, any Car or any goods or services subject of any Receivable or any related Auto Loan Contract, and not to assign any right to receive income in respect thereof or not to attempt, purport or agree to do any of the foregoing;
- (j) **Direction, Orders and Instructions:** to comply with any reasonable directions, orders and instructions that the Issuer (or its agents) and the Representative of Noteholders may from time to time give to it in accordance with the Master Receivables Transfer Agreement and which would not result in it committing a breach of its obligations under the Master Receivables Transfer Agreement or an illegal act;
- (k) **Inaccuracy:** to immediately inform the Issuer of any inaccuracy in any material respect of any representation or warranty made or deemed to be repeated, and of any breach in any material respect of the undertakings given by it under the terms of the Master Receivables Transfer Agreement and any of the Transaction Documents to which it is or will be a party, as soon as it becomes aware of any such inaccuracy or breach;
- (l) **No Initiative:** not to take any initiative or action in respect of the Receivables or the Auto Loan Contracts that could affect the validity or the recoverability of the Receivables in whole or in part, or which could harm, in any other way, the interest of the Issuer in the Receivables or in the corresponding rights, except if and where expressly permitted by the Transaction Documents to which it will be a party or the Servicing Procedures;
- (m) **Repurchase or Indemnity:** without prejudice to the rights and remedies available to the Issuer under the applicable laws, to repurchase the Affected Receivables or to indemnify the Issuer on demand and on a full after tax basis against any costs, damages, losses, expenses or liabilities (including, but not limited to, legal and out of pocket expenses) that are reasonable and justified and suffered by the Issuer (as shall be determined in good faith, directly or indirectly, by the Issuer) as a result of:
  - (i) any breach by the Seller of any of its obligations and undertakings under the Master Receivables Transfer Agreement;
  - (ii) any material inaccuracy of any of the representations and warranties, (other than those set out in Schedule 5 (*Representations, Warranties and Undertakings of the Seller*), Part 2 (*Representations and warranties relating to the Receivables*) of the Master Receivables Transfer Agreement) made by the Seller or deemed to be repeated under the terms of the Master Receivables Transfer Agreement and any of the Transaction Documents;
  - (iii) any action of the Seller which may give rise to a right of the Debtor (or any third party) of set-off, counter claim, refund, retention or any similar right which could give rise to any deduction whatsoever or could result in any other reason for not paying any amount due under the Receivables, without the Issuer's prior written consent, except

if and where expressly permitted pursuant the Master Receivables Transfer Agreement or by law;

- (iv) any dispute, claim, set-off or defence of any Obligor in respect of a payment under any purchased Receivable (including, without limitation a defence based on any such Receivable or the related Auto Loan Contract not being a legal, valid, and binding obligation of such Obligor enforceable against it in accordance with its terms), provided that in case of set-off by a Debtor the Seller shall indemnify the Issuer for an amount equal to the part of Outstanding Balance of the Affected Receivable actually subject to such set-off;
- (n) **Cooperation:** upon request of the Issuer and or the Representative of Noteholders, to deliver, at its expense, any data, document, registration or information relative to the Receivables and the other Ancillary Rights in its possession, or in possession of any of its agents, or that it is reasonably able to obtain, and evidencing the rights in the Receivables and any related records, as well as any information that may be relevant to the Issuer as assignee of the Receivables;
- (o) **Notifications:** to notify immediately the Issuer, the Representative of the Noteholders and the Rating Agencies, upon becoming aware of the same, of:
  - (i) the Issuer becoming entitled to raise a claim under the Master Receivables Transfer Agreement;
  - (ii) the occurrence of any Amortisation Event or Trigger Event;
  - (iii) any modification or withdrawal of any of the ratings of the Seller;
  - (iv) any inaccuracy and/or breach of the undertakings given by it under the terms of the Master Receivables Transfer Agreement as soon as and to the extent that the Seller becomes aware of any such inaccuracy or breach;
  - (v) the occurrence of any event which will result in any representation or warranty of the Seller under the Master Receivables Transfer Agreement no longer being true, complete or accurate in any material respect;
  - (vi) any judicial proceedings initiated against it which might materially and adversely affect the title of the Issuer to, or the interest of the Issuer in, the Aggregate Portfolio;
- (p) **Performance:** to duly perform all its obligations under each of the Transaction Documents to which it is a party;
- (q) **Duty of Information:** to promptly inform the Issuer, the Representative of the Noteholders and the Rating Agencies of: (i) any act or event of which it is aware which could adversely affect the value of the Aggregate Portfolio; (ii) any third party's claims in respect of the Aggregate Portfolio of which the Seller becomes aware and/or any attachment, seizure or other enforcement proceeding pursued by any third party in respect thereof; and (iii) any amendment to the Contractual Documents which may have a Material Adverse Effect;
- (r) **Financial Statements:** to deliver to the Issuer and the Representative of the Noteholders a copy of its annual financial statements, no later than 30 (thirty) days after approval thereof;
- (s) **Taxes:** to pay any Taxes which may become due in respect of the Receivables and/or the Auto Loan Contracts;
- (t) **Underwriting standards material changes:** to disclose also to the investors (including potential investors) any material changes from prior underwriting standards without undue delay, including explanation of the purpose of the change, in accordance with articles 20(10) and 24(18) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;

- (u) **Liability cash flow model:** after the Issue Date, to make available on an on-going basis and to the investors (including potential investors), upon request, the information to the third party developing the liability cash flow model, in order to make the model available to investors and potential investors upon request;
- (v) **Environmental performance of the financed assets:** to the extent available to the Seller, the Seller shall publish the information related to the environmental of the vehicles financed through the loans originating the Receivables transferred to the Issuer during the Revolving Period, pursuant to article 22(4) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

*Failure to conform and remedies*

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

The non-conformity of any Affected Receivable may be remedied, if capable of remedy, by the Seller by taking, as soon as practicable, any appropriate steps to rectify such non-conformity, including without limitation, if applicable, ensuring that the relevant Auto Loan Contract complies with the Contracts Eligibility Criteria and/or that the relevant Receivables complies with the Receivables Eligibility Criteria. The Master Receivables Transfer Agreement provides that If the non-conformity of any Affected Receivable is not remedied within 20 (twenty) Business Days from the date of the Non-Conformity Notice, then the Issuer may, by notice in writing to the Seller, terminate (*risolvere*), pursuant to article 1456 of the Italian Civil Code, the transfer of the relevant Affected Receivable, with effect from the second Subsequent Purchase Date immediately following the date of the Non-Conformity Notice (the **Non-Conformity Repurchase Date**). Subject to receipt by the Issuer of the relevant Non-Conformity Rescission Amount (as defined below), title to the relevant Affected Receivable will be retransferred to the Seller and any costs or expenses in connection therewith shall be borne exclusively by the Seller.

The amount payable by the Seller to the Issuer as a consequence of the termination of the transfer of each Affected Receivable shall be equal to:

- (a) the sum of:
  - (i) the Outstanding Balance in respect of the relevant Affected Receivables;
  - (ii) any interest accrued and outstanding thereon; and
  - (iii) any Arrears Amounts relating to those Affected Receivables as of the Determination Date preceding the Non-Conformity Repurchase Date (in each case, without double-counting with the amounts described under paragraphs (i) and (ii) above); or
- (b) in the circumstances contemplated under clause 11(b)(ii) of the Master Receivables Transfer Agreement (i.e. in case the relevant Auto Loan Contract is terminated as a consequence of the default by the Seller, including in the circumstances provided for under Article 125-quinquies of the Italian Banking Act), the Outstanding Balance of such Affected Receivable as at the relevant Selection Date,

(the **Non-Conformity Rescission Amount**).

*Governing law and jurisdiction*

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

The Courts of Milan, Republic of Italy, shall have exclusive 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 Master Receivables Transfer Agreement and any non-contractual obligations arising in connection with the Master Receivables Transfer Agreement and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.

## **2. SERVICING AGREEMENT**

On the Execution Date, the Issuer, the Servicer, the Calculation Agent and the Representative of the Noteholders entered into the Servicing Agreement, pursuant to which the Issuer has appointed SFS Italia as Servicer.

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

Under the Servicing Agreement, the Servicer has agreed, *inter alia*:

- (a) to collect all amounts to be paid by the Obligors in relation to the Receivables and to transfer all the relevant Collections and Recoveries received and all amounts payable by the Servicer under the Servicing Agreement to the Issuer in accordance with the provisions set out in clause 5 (*Collection of the Receivables*) of the Servicing Agreement;
- (b) to do all things necessary for the collection and the recovery of all the Receivables, including exercising all remedies provided by law and under the Auto Loan Contracts, enforcing any Ancillary Rights and/or other related security with the level of care and diligence it would employ if the Receivables were its own property;
- (c) to conduct monitoring activities in relation to the Aggregate Portfolio and the Securitisation and to administer, preserve and enforce all rights of the Issuer generally in relation to the Aggregate Portfolio (including the Ancillary Rights (and the Other Rights, if applicable)), according to the Servicing Procedures;
- (d) if any Receivable becomes a Defaulted Receivable, to initiate, prosecute and manage, in accordance with the terms of the Servicing Agreement, all Foreclosure Proceedings, Enforcement Proceedings and Insolvency Proceedings, on behalf and, if necessary, in the name of the Issuer pursuant to the power of attorney granted by the Issuer to the Servicer on or about the date of this Prospectus in the form attached to the Servicing Agreement;
- (e) to prepare and deliver all notices, communications and documents to be sent by the Issuer, in its capacity as owner of the Receivables, to the relevant Obligors;
- (f) to report to the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent, the Account Bank, the Cash Manager and the Corporate Servicer on a monthly basis in accordance with the provisions of the Servicing Agreement;

- (g) to prepare and maintain on behalf of the Issuer the electronic data storage system (*Archivio Unico Informatico*) or any equivalent database if requested by applicable laws;
- (h) to effect, on behalf of the Issuer, the reporting to the *Centrale dei Rischi* and to the *Segnalazioni di vigilanza delle istituzioni creditizie e finanziarie*, and provide any assistance which may be required in order to enable the Corporate Servicer to effect, on behalf of the Issuer, the reporting provided for by the Bank of Italy's supervisory system applicable to companies established pursuant to the Securitisation Law;
- (i) to maintain on behalf of the Issuer the "*contabilità sezionale clienti*" relating to the Debtors of the Receivables and to promptly deliver (i) to the Issuer and the Calculation Agent all data relating to the Receivables and the relevant Available Collections and Recoveries which are necessary for the maintenance and the update of the Issuer's accounting books and records and (ii) to the Corporate Servicer all information and data necessary to it for preparing the financial statements of the Issuer, including, without limitation, information about any write off (*svalutazione di natura analitica e/o forfettaria*) at least on an annual basis and, in any case, with a frequency allowing the Issuer and/or the Corporate Servicer to prepare its financial statements within the applicable deadlines;
- (j) to comply with any applicable laws and regulations with reference to the Securitisation;
- (k) to provide accurate, complete and punctual information with regard to the Aggregate Portfolio to enable the Corporate Servicer to effect its duties on behalf of the Issuer;
- (l) to deliver to the Issuer, the Representative of the Noteholders and the Back-up Servicer (if any), promptly upon their request, of an electronic file containing up-to-date details of the Debtors;
- (m) if and to the extent any of the Receivables and/or the Auto Loan and/or the Auto Loan Contract and/or the Debtors fall into one of the categories to which Law No. 136 of 13 August 2010 on financial flow traceability relating to public-works or public-supply contracts and the relevant implementing regulations (the Traceability Law) applies or otherwise any of the transactions contemplated by the Servicing Agreement and/or any other Transaction Document triggers the applicability of the Traceability Law, comply with all obligations, conditions and requirements provided for by the Traceability Law, including, without limitation, by making all payments to and from dedicated bank or postal accounts (*conti dedicati*) by means of bank or postal wires or other payment instruments which ensure full traceability and, where relevant, by indicating in the relevant Receivable assignment agreement and/or payment instrument the relevant work or supply identification codes (CIG and, where necessary, CUP);
- (n) to perform all other servicing activities and functions (within the meaning given to such expression under the Securitisation Law and the Implementing Regulations) relating to the Securitisation and not specified herein, which must be performed by the Servicer pursuant to the terms of the Securitisation Law and the Implementing Regulations; and
- (o) to perform all its duties under the Servicing Agreement with diligence and in accordance with all applicable laws and regulations, including the Securitisation Law, the Servicing Procedures and pursuant to the specific instructions that, on certain conditions, may be given to it by the Issuer and/or by the Representative of the Noteholders.

#### *Servicing Procedures*

Under the Servicing Agreement, the Servicer has undertaken that it shall take into consideration the interests of the Noteholders and shall refer, at all times, to the Servicing Procedures, the instructions agreed with or provided by, inter alios, the Issuer and/or the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, including the Conditions and the Rules

attached thereto) and shall act in such a manner as it would be reasonable to expect a reasonably prudent servicer of auto loans of similar portfolios in Italy to act in providing services similar to those undertaken by the Servicer in the context of the Securitisation and more generally with the standard of care that it applies to its own business.

In performing its obligations under the Servicing Agreement in relation to the administration, the recovery and the collection of the Receivables, the Servicer shall strictly comply with:

- (a) the provisions of the Servicing Agreement;
- (b) the provisions of the relevant Auto Loan Contracts; and
- (c) the Servicing Procedures, as they may be amended from time to time in accordance with the provisions of the Servicing Agreement.

The Servicer may make amendments at any time to the Servicing Procedures *provided that*:

- (a) the Servicer reasonably believes that to do so is unlikely to cause a Material Adverse Effect; or
- (b) the amendment is required to be made to comply with any applicable law and regulation (including for the avoidance of doubt the Securitisation Law and the Implementing Regulations), *provided that* the Servicer shall not make any material amendment to or substitution of the Servicing Procedures where such amendment relates directly to:
  - (i) the write-off policy, early termination policy or the categorisation of Delinquent Receivables or Defaulted Receivables;
  - (ii) the collection procedures in respect of Delinquent Receivables;
  - (iii) the categorisation of any type of Debtor and/or Auto Loan Contract as a New Car or Used Car; and
  - (iv) the dunning procedures and recovery of collateral following a Debtor default,

unless the Servicer has received the prior written approval of, *inter alios*, the Issuer and the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, including the Conditions and the Rules attached thereto) for any such amendment or substitution.

#### *Permitted Renegotiations*

The Servicing Agreement provides that, in accordance with all the applicable laws and regulations, the Servicer may enter into a Permitted Renegotiation in respect of an Auto Loan Contract corresponding to a Receivable, *provided that* such Permitted Renegotiation shall not be a modification in the number, the amounts (including any change of interest rate) or the dates of payment of the Instalments initially scheduled under the relevant Auto Loan Contract (other than for the dates of payments as described in the definition of Permitted Renegotiation), *provided that* any refinancing of the Balloon Auto Loan Contract shall be always permitted within the limits set forth under the definition of Permitted Renegotiation.

In the event that the Servicer enters into any renegotiations which are Non-Permitted Renegotiations, the Servicer shall notify, *inter alios*, the Seller, the Issuer, the Calculation Agent, the Representative of the Noteholders promptly of such event), following which the Seller shall repurchase the corresponding Receivables (other than Defaulted Receivables) in accordance with the terms of the Master Receivables Transfer Agreement.

#### *Collection of the Receivables*



The Servicer shall procure that, on each Instalment Due Date on which a payment has to be made by a Debtor through direct debit on a current account under the terms of the relevant Auto Loan Contract, the current account indicated by such Debtor is debited for an amount equal to the sum due in relation to the relevant Receivable pursuant to the relevant Auto Loan Contract and the Servicer Collection Account is credited for that amount.

If, under the terms of the relevant Auto Loan Contract, the Debtor is required to make the relevant payments through postal bulletin (*bollettino postale*), the Servicer shall provide in a timely manner the relevant Debtor with a pre-filled (or new pre-filled) set of postal bulletins or the details of the Servicer postal account into which the payments shall be credited (the Servicer Postal Account).

The Servicer shall, as soon as reasonably practicable, and in any case by no later than the second Business Day following the date of receipt, transfer the amounts so received from the relevant Debtors from the Servicer Postal Account to the Servicer Collection Account.

#### *Servicer Collection Account*

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

The Servicer Collection Account is intended to be a segregated account for the purposes of Article 3, paragraph 2-ter of the Securitisation Law, opened by the Servicer in the context of the Securitisation and the Collections and other amounts pertaining to the Securitisation and credited to the Servicer Collection Account will be treated to all intents and purposes as indicated in Article 3, paragraph 2-ter of the Securitisation Law. The Servicer has undertaken to keep full and complete and separate accounting evidence of the sums and collections received in respect of each Receivable.

#### *Transfer of Available Collections to the Collection Account*

Under the Servicing Agreement, the Servicer has undertaken to transfer into the Collection Account all the Available Collections and Recoveries by no later than the second Business Day following receipt of such amounts.

#### *Adjustments*

On each Information Date, the Calculation Agent shall verify the amount of the Collections and Recoveries transferred to the Collection Account in relation to the preceding Collection Period and, if necessary, will determine any adjustments to the amount of Available Collections in relation to the preceding Collection Period as a result of any Adjusted Available Collections, in each case, in order to ensure that the correct amount of Collections in relation to such preceding Collection Period has been transferred to the Collection Account. As the case may be, such adjustment amount will either be transferred (i) by the Servicer to the Collection Account on the immediately following Settlement Date following such Information Date, if the corresponding amount of Collections received by the Issuer was less than the Collections that have been paid by Obligors in respect of such Collection Period or (ii) by the Issuer (or by the Calculation Agent acting on behalf of the Issuer) to the Servicer on the next Settlement Date following such Information Date if the corresponding amount of Collections received by the Issuer exceeded the Collections that has been paid by the Obligors in respect of such Collection Period, for avoidance of doubt only on the basis of the information contained under the relevant Monthly Servicing Report.

#### *Monthly Servicing Report*

On or prior to each Information Date, the Servicer shall prepare the Monthly Servicing Report in respect of the Collection Period immediately preceding the relevant Information Date, in the form of a data file

containing the information set out in the Servicing Agreement and deliver it to, *inter alios*, the Issuer, the Representative of the Noteholders, the Cash Manager and the Calculation Agent. The parties to the Servicing Agreement may agree on any amendment to the form of the Monthly Servicing Report which may be deemed necessary or appropriate in the interest of the Securitisation, *provided that* any such amendment is notified in writing to all the recipients.

#### *Servicing Fees*

In consideration for the services provided under the Servicing Agreement, the Servicer will receive on each Payment Date a fee equal to the sum of:

- (a) 1/12 of Euro 10,000 (plus VAT), for technical and advisory activities (including, without limitation, the delivery of the *segnalazioni di vigilanza* and the maintenance of records);
- (b) for the collection and administration of the Performing Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Performing Receivables which are not Delinquent Receivables, serviced by the Servicer as at the beginning of the relevant Collection Period; and
- (c) for the collection, administration and recovery of the Delinquent Receivables and the Defaulted Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Delinquent Receivables and all Defaulted Receivables serviced by the Servicer as at the beginning of the relevant Collection Period (plus VAT if applicable).

#### *Termination of the appointment and resignation of the Servicer*

Upon the occurrence of any of the Servicer Termination Events indicated in the Servicing Agreement, the Issuer, if so directed by the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, including the Conditions and the Rules attached thereto), shall terminate the appointment of the Servicer and promptly (and in any case within 30 (thirty) calendar days from the occurrence of any of such Servicer Termination Events) appoint a substitute servicer.

The Servicer Termination Events include the following events:

- (a) the Servicer is Insolvent and/or an order is made or an effective resolution is passed for the Winding-Up of the Servicer in accordance with the applicable laws; or
- (b) the Servicer fails to transfer any amount due to be transferred pursuant to the Agreement and such default is not remedied within 3 (three) Business Days from the date of notification of the non-payment; or
- (c) the Servicer fails to deliver a Monthly Servicing Report as provided for under the Servicing Agreement, which is true and correct in all material respects and such default is not remedied within 3 (three) Business Days from the due date; or
- (d) the Servicer breaches any of its other obligations under the Servicing Agreement or any other Transaction Document to which the Servicer is a party and such breach is not remedied in a manner satisfactory to the Issuer and the Representative of the Noteholders within 10 (ten) Business Days from the date of notification of the breach; or
- (e) any of the representations and warranties made by the Servicer under the Servicing Agreement is false or incorrect in any material respect (other than to the extent that any such representation, warranty, certification or statement made by the Servicer already contains any materiality qualifier) when made or deemed to be made and, where such representation or warranty can, in the opinion of the Representative of the Noteholders, be remedied by the Servicer, is not remedied in a satisfactory manner within 10 (ten) Business Days after notification in writing to the Servicer by the Representative of the Noteholders to remedy such

false or incorrect representation or warranty; or

- (f) it becomes unlawful for the Servicer to perform the activities it is required to perform under the Servicing Agreement and any other Transaction Document to which it is a party; or
- (g) the Servicer ceases to carry out its servicing function; or
- (h) the Servicer is or will be unable to meet the Bank of Italy's regulations for entities acting as servicers in the context of an Italian securitisation transaction.

In addition, the Servicer may resign from its role pursuant to the Servicing Agreement, by giving a 6-month prior written notice to the Issuer (with copy to the Representative of the Noteholders).

Both termination of and resignation from the appointment of the Servicer pursuant to the Servicing Agreement will be effective as of the Business Day following the date on which the Successor Servicer appointed by the Issuer has (i) executed an agreement substantially in the form of the Servicing Agreement; and (ii) become a party to the Intercreditor Agreement, or, should such days not fall on a Business Day, such termination or resignation shall be effective as of the first following day that is a Business Day.

#### *Successor Servicer*

The entity appointed as Successor Servicer shall be a bank or a company enrolled in the register held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, operating in Italy and with offices in Italy:

- (a) which adopts a software system for its business compatible with that of the Servicer at such time;
- (b) in the position to ensure, directly or indirectly, the efficient and professional upkeep of the electronic data storage system (*Archivio Unico Informatico*) provided for by Italian laws and regulations on money laundering and, if and to the extent applicable, enable the Issuer to comply with the Bank of Italy's Automated Interbank Risk Service (*Centrale dei Rischi*), and Bank of Italy's supervisory system applicable to financial intermediaries enrolled in the register provided for by Article 106 of the Italian Banking Act (*Segnalazioni di Vigilanza*), if and to the extent applicable;
- (c) whose appointment, to be notified in writing to the Rating Agencies by the Issuer and/or the Representative of the Noteholders, does not entail any material adverse effect on the Notes or the Securitisation; and
- (d) who has expertise in servicing exposures of a similar nature to the Receivables and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with Article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

If a Back-up Servicer is appointed in accordance with the Servicing Agreement, the Back-up Servicer shall be the Successor Servicer.

#### *Cooperation of the Servicer*

The Servicer has undertaken, for a period of time not longer than 12 (twelve) months starting from the date of termination of the Servicer's appointment pursuant to the provisions of the Servicing Agreement, to take all reasonably requested actions and make all efforts in order to enable the Successor Servicer to perform its duties as a servicer pursuant to the new Servicing Agreement.

#### *Back-up Servicer*

As soon as possible and in any event within 30 (thirty) days following the occurrence of a Back-up Servicer Implementation Event, the Back-up Servicer Facilitator, pursuant to the Intercreditor Agreement, shall identify and propose to the Issuer and the Representative of the Noteholders one or more entities having the characteristics indicated under the Servicing Agreement which would be prepared to act as Back-up Servicer in the context of the Securitisation. In the event of failure by the Back-up Servicer Facilitator to identify and propose a Back-up Servicer, the Representative of the Noteholders shall do so at the costs and expenses of the Back-up Servicer Facilitator.

Upon receipt of a notification from the Back-up Servicer Facilitator (or the Representative of the Noteholders (as the case may be)) identifying one or more Back-up Servicers and indicating the commercial terms pursuant to which such entities may act as such and as Successor Servicer (upon termination of the appointment of the Servicer), the Issuer (subject to the prior written approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)), as soon as possible and in any event within 60 (sixty) days from the occurrence of the relevant Back-up Servicer Implementation Event, will designate one of those entities to act as Back-up Servicer and enter into a Back-up Servicing Agreement with the entity so designated. If the Back-up Servicer Facilitator fails to procure the entry by the Back-up Servicer into Back-up Servicing Agreement within 60 (sixty) days from the occurrence of a Back-up Servicer Implementation Event, the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) shall do so.

#### *Notification to Obligors*

Upon the occurrence of any of the Notification Events indicated under the Servicing Agreement, the Servicer or the Issuer (as applicable) shall promptly (and in any case within 30 calendar days) notify each Obligor the assignment of the relevant Receivable to the Issuer, and instruct each Obligor to make any payment in respect of the relevant Receivable directly to the Collection Account in the name of the Issuer.

#### *Governing law and jurisdiction*

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

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

### **3. CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT**

On or about the Issue Date, the Issuer, the Cash Manager, the Seller, the Servicer, the Calculation Agent, the Account Bank, the Paying Agent and the Representative of the Noteholders entered into the Cash Allocation, Management and Payment Agreement, pursuant to which, *inter alia*:

- (a) SFS Italia has been appointed by the Issuer as Cash Manager to manage and administer all amounts standing to the credit of the Issuer Accounts;
- (b) Zenith Global S.p.A. has been appointed by the Issuer as Calculation Agent to make certain verification and calculations in relation to the Receivables, to prepare reports, including the Investor Report, on behalf of the Issuer and to operate the Issuer Accounts (other than making payments due under the Notes and to the Issuer Secured Creditors); and
- (c) BNP Paribas has been appointed by the Issuer as Account Bank and Paying Agent to provide account management and administration services in relation to the operations of the Issuer Accounts and make payments due under the Notes and to the Other Issuer Secured Creditors, according to the Priority of Payments.

### *Operation of the Issuer Accounts*

Under the Cash Allocation, Management and Payment Agreement, each of the parties thereto have agreed to make the payments into and withdrawals from the Issuer Accounts as set out thereunder and that no other payments into or withdrawals from the Issuer Accounts other than those set out thereunder shall be permitted (for a description of the operation of the Issuer Accounts, please see section headed "*ISSUER ACCOUNTS*").

Interest will accrue on the balance from time to time held to the credit of each of the Issuer Accounts at the rate separately agreed between the Issuer and the relevant Account Bank, on the basis of actual days elapsed during a 360 (three hundred and sixty) day year.

Under the Cash Allocation, Management and Payment Agreement, each of the Account Bank and the Paying Agent shall be an Eligible Institution.

### *Verifications and Calculations*

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to determine, on the Information Date immediately following the end of a Collection Period, using the information in the Monthly Servicing Report provided by the Servicer on such Information Date and the statements of account provided by the Account Bank, whether all Collections which fell due during such Collection Period were collected by the Servicer. If any such Collections were not collected by the Servicer and transferred to the Issuer in accordance with the terms of the Servicing Agreement (taking into account any adjustments to the Collections), the Calculation Agent shall consult with the Servicer with a view to understanding the reasons for the shortfall in the Collections, failing which it shall notify the Issuer, the Cash Manager and the Representative of the Noteholders on or prior to the immediately following Calculation Date.

### *Investor Report*

On or prior to each Calculation Date and subject to the Calculation Agent having received details of each amount or item of information listed in the Cash Allocation, Management and Payment Agreement, the Calculation Agent shall prepare an Investor Report substantially in the form set out in the Cash Allocation, Management and Payment Agreement with respect to the Payment Date immediately succeeding such Calculation Date.

The draft Investor Report shall be transmitted to the Servicer for review and validation prior to distribution to the other parties.

On each Calculation Date, the Calculation Agent shall deliver the Investor Report to the Issuer, the Account Bank, the Paying Agent, the Servicer, the Cash Manager, the Representative of the Noteholders and the Rating Agencies.

Each Investor Report shall be deemed to constitute an instruction from the Issuer to the Account Bank and the Paying Agent to make the payments and transfers set in such Investor Report (including any payment to be made to any Other Issuer Secured Creditors).

On each Calculation Date, the Calculation Agent shall calculate the following ratios concerning the Receivables:

- (a) the Default Ratio;
- (b) the Default Ratio Rolling Average;
- (c) the Delinquency Ratio;
- (d) the Delinquency Ratio Rolling Average; and

- (e) the Cumulative Loss Ratio.

The Issuer (or the Corporate Servicer on its behalf) shall ensure that copies of the Investor Reports are made available, on each Calculation Date, to the holders of the Senior Notes and Mezzanine Notes on the website [Excw.luxse.com](http://Excw.luxse.com)) and for collection from its office during usual office hours on any weekday and in compliance with any requirements in the Conditions.

#### *Remuneration*

The Issuer shall pay to the Cash Manager, the Calculation Agent, the Account Bank and the Paying Agent such remuneration in respect of the services to be provided by each of them under the Cash Allocation, Management and Payment Agreement as agreed between the Issuer and such agent or bank under a separate fee letter executed on or prior to the date of execution of the Cash Allocation, Management and Payment Agreement.

#### *Termination and resignation*

Upon the occurrence of any of the termination events indicated under the Cash Allocation, Management and Payment Agreement, the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) or the Representative of the Noteholders shall (in accordance with the terms of the Transaction Documents), by notice in writing to the relevant party, terminate the appointment of the Cash Manager, the Calculation Agent, the relevant Account Bank and/or the Paying Agent (as the case may be) with effect from a date (not earlier than the date of the notice) specified in the notice.

Each of the Calculation Agent, the Paying Agent, the Cash Manager and the Account Bank may at any time resign from its respective appointment under the Cash Allocation, Management and Payment Agreement by giving to, *inter alios*, the Issuer and the Representative of the Noteholders, not less than 60 (sixty) days' prior written notice to that effect.

Upon the resignation by or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) and with prior notice to the Rating Agencies, immediately appoint a relevant successor, *provided that* no resignation or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent shall take effect until the relevant successor has been appointed and has agreed to be bound by the provisions of the Intercreditor Agreement and has entered into an agreement on the same terms *mutatis mutandis* as the Cash Allocation, Management and Payment Agreement or on such other terms as the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may approve and further *provided that* the entity to be appointed as successor Account Bank and/or Paying Agent shall qualify as an Eligible Institution.

If any Account Bank ceases to be an Eligible Institution, it shall have the right, within 30 (thirty) calendar days from the date on which it has ceased to be an Eligible Institution (the **Grace Period**) to, at its own costs and expenses:

- (a) arrange for a guarantee with an Eligible Institution which is in substance acceptable to the Representative of the Noteholders (so that the then current rating of the Rated Notes is not negatively affected); or
- (b) procure the transfer of the relevant Issuer Accounts to any other institution which is an Eligible Institution, subject to establishing arrangements substantially similar to those contained in the Cash Allocation, Management and Payment Agreement.

#### *Governing law and jurisdiction*

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

Any disputes arising in respect of the Cash Allocation, Management and Payment Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

#### 4. INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the other Transaction Parties entered into the Intercreditor Agreement in order, *inter alia* (a) to agree the cash flow allocation of the proceeds in respect of the Aggregate Portfolio, (b) for the Other Issuer Secured Creditors to acknowledge the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the other Transaction Documents, (c) for the Issuer to covenant to the Other Issuer Secured Creditors in the terms set out in the Conditions, the Rules and in relation to the Issuer Accounts, and (d) for the Issuer to grant a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of a Trigger Notice, the Representative of the Noteholders shall be authorised under Article 1723, second paragraph, of the Italian Civil Code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Secured Creditors, all the Issuer's contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Aggregate Portfolio, including the right to sell it in whole or in part, in the interest of the Noteholders and the Other Issuer Secured Creditors.

##### *Representative of the Noteholders – Mandate by the Issuer*

Under the Intercreditor Agreement, the Issuer has irrevocably appointed, from the Issue Date, the Representative of the Noteholders, as its true and lawful agent (*mandatario con rappresentanza*) in the interests, and for the benefit of the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1411 and Article 1723, second paragraph of the Italian Civil Code, to exercise, in the name and on behalf of the Issuer, all and any of the Issuer's rights arising from each of the Transaction Documents to which the Issuer is or will be a party, including (without limitation) the right:

- (a) to exercise the rights of the Issuer in relation to the Aggregate Portfolio pursuant to the Transaction Documents (other than, in respect to the Servicing Agreement, the collection and recovery of the Receivables which shall continue to be performed by the Servicer pursuant to the Servicing Agreement) and in particular, to dispose of the Aggregate Portfolio in accordance with the Conditions and the Rules;
- (b) to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents;
- (c) to carry out any ancillary transaction or arrangement in connection with a disposal of the Aggregate Portfolio in accordance with paragraph (a) above which the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may, in its absolute discretion, consider appropriate;
- (d) to receive any amounts payable to the Issuer in relation to the Receivables and/or under the Transaction Documents;
- (e) to operate the Issuer Accounts;
- (f) to require performance by each of the Other Issuer Secured Creditors of any of its obligations under the Transaction Documents, or its rights to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Aggregate Portfolio or the Transaction Documents;

- (g) to distribute any amounts received by the Issuer in respect of the Aggregate Portfolio and under or in connection with the Transaction Documents, in accordance with the applicable Priority of Payments; and
- (h) to take any other action incidental to the exercise of the rights and powers above conferred on it.

The mandate from the Issuer to the Representative of the Noteholders shall take effect upon the earlier to occur of:

- (a) the occurrence of a Trigger Event; and
- (b) the occurrence of a Specified Event (but in this case, such mandate and the related power of attorney shall be limited to authorising and empowering the Representative of the Noteholders to exercise or enforce the rights, entitlements, or remedies, or to exercise the discretions, authorities, or powers to give any direction or make any determination which the Issuer failed to exercise or enforce, and which gave rise to the occurrence of the Specified Event).

#### *Representative of the Noteholders – Mandate by the Other Issuer Secured Creditors*

Under the Intercreditor Agreement, the Other Issuer Secured Creditors have jointly appointed the Representative of the Noteholders as their agent (*mandatario con rappresentanza*) to act in accordance with the provisions of Articles 1723, second paragraph and 1726 of the Italian Civil Code and have authorised the Representative of the Noteholders to, *inter alia*, do any act, matter or thing which it considers necessary to exercise or protect the Other Issuer Secured Creditors' rights under any of the Transaction Documents, including to dispose of the Aggregate Portfolio and receive, following the service of a Trigger Notice, all monies payable by the Issuer to the Other Issuer Secured Creditors, such monies to be timely paid to the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

#### *Conflict of interests*

Under the Intercreditor Agreement, each of the Issuer Secured Creditors (other than the Representative of the Noteholders) has acknowledged and agreed that, in accordance with the provisions of the Conditions and the Rules, the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Most Senior Class of Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class (subject to the provisions of the Rules of the Organisation of the Noteholders concerning Basic Terms Modifications) and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post-Enforcement Priority of Payments.

#### *Priorities of Payments*

Each party to the Intercreditor Agreement have agreed and acknowledged that funds available to the Issuer will be applied in accordance with the applicable Priority of Payments provided for under the Conditions.

#### *Subordination, Limited Recourse, Deferral and Non-Petition*

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any)



by the Issuer shall at all times be subject to the subordination provisions set out in the Conditions, and (ii) that, pursuant thereto, *inter alia*:

- (a) its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall, in accordance with the applicable Priority of Payments, at all times be subordinated to the rights, claims and remedies of all the Noteholders, all other Issuer Secured Creditors and all Connected Third Party Creditors in the manner provided therein; and
- (b) no amount payable by the Issuer to any Noteholder or any Other Issuer Secured Creditor under the Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it other than the manner provided therein.

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall be subject to the provisions of Condition 17 (*Non Petition and Limited Recourse*) and (ii) that, pursuant thereto, *inter alia*, in certain circumstances (as specified therein) where the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation are not sufficient to discharge such payment obligation in full, only a *pro rata* share of the funds which available therefor shall be due and payable, and the balance which would otherwise have been due and payable in respect thereof shall cease to be due and payable and shall be definitively cancelled, all subject to and in accordance with Condition 17 (*Non Petition and Limited Recourse*).

Each Party to the Intercreditor Agreement has acknowledged and agreed that (i) its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall be subject to the deferral provisions of Condition 4.6 (*Deferral under the applicable Priority of Payments*) and (ii) no interest shall accrue on the amounts subject to deferral payments.

Each Party to the Intercreditor Agreement has acknowledged and agreed to be bound by the non-petition provisions of Condition 11 (*Enforcement*) and that pursuant thereto, *inter alia*:

- (a) following the occurrence of a Trigger Event the Representative of the Noteholders has the right to dispose of the Aggregate Portfolio in whole or in part, but shall not be obliged to do so other than in the limited circumstances specified in such Condition;
- (b) other than in the limited circumstances specified in the Conditions, the Representative of the Noteholders shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in respect of amounts due under the Notes and/or the Transaction Documents and no Other Issuer Secured Creditor shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer;
- (c) it shall not at any time exercise against the Issuer any right of netting, set-off, counterclaim or subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code.

#### *Appointment of SCF as Back-Up Servicer Facilitator*

Pursuant to the Intercreditor Agreement, SCF has been appointed by the Issuer to act as Back-Up Servicer Facilitator of the Securitisation.

#### *Risk retention and Transparency Requirements*

Under the Intercreditor Agreement, the Seller has undertaken that it will comply with the risk retention and transparency requirements provided for by the EU Securitisation Regulation in the manner described in the section "*Risk retention and Transparency Requirements*" of this Prospectus.

*Cooperation undertakings in relation to EU Securitisation Rules*

Each of the parties to the Intercreditor Agreement (other than the Arrangers and the Joint Lead Managers) has undertaken to provide all reasonable cooperation in order to ensure that the Securitisation complies with the EU Securitisation Rules and is designated as STS. Without prejudice to the generality of the foregoing, each of the parties to the Intercreditor Agreement has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources, and (iv) perform such other supporting activities, in each case as may reasonably be deemed necessary and/or expedient for such purposes.

*Directions of the Representative of the Noteholders following the service of a Trigger Notice*

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, upon 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 Aggregate Portfolio.

*Disposal of the Aggregate Portfolio following the occurrence of a Trigger Event*

Pursuant to the Intercreditor Agreement, following the delivery of a Trigger Notice and in accordance with the Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Aggregate Portfolio or any part thereof in accordance with the provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Aggregate Portfolio pursuant to Article 21(4)(d) and 24(17)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

*Redemption for regulatory reasons*

The Issuer will exercise the option to early redeem the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, pursuant to Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*) only subject to the Seller having agreed to provide the latter with the necessary funds for such redemption through the Seller Loan, in an amount equal to the Seller Loan Redemption Amount, in accordance with the terms of the Intercreditor Agreement.

Following the Regulatory Call Early Redemption Date, the parties to the Intercreditor Agreement have agreed to promptly execute and deliver all instruments, notices and documents and take all further action that the Issuer or the Seller may reasonably request including, without limitation, agreeing all necessary modifications, waivers and additions to the Transaction Documents required in order to, among others: (A) achieve, in respect of the parties to the Transaction Documents (other than, for the avoidance of doubt, the Seller) an equivalent economic effect as the position under the Transaction Documents on the date immediately prior to the Regulatory Call Early Redemption Date; and (B) reflect the advance by, and, without limitation, the repayment of the Seller Loan to, the Seller, *provided that* no such modifications, waivers and additions are materially prejudicial to the interests of the holders of the Class A Notes.

*RSF Reserve*

Pursuant to the Intercreditor Agreement the RSF Reserve Advance Provider has agreed to make available to the Issuer:

- (a) an initial loan in an amount equal to the Required Replacement Servicer Fee Reserve Amount within sixty (60) days from the occurrence of a RSF Reserve Funding Trigger Event (such date, the **RSF Reserve Initial Funding Date**); and
- (b) in case the RSF Reserve Advance Provider receives a notice from the Issuer that a further loan in a further amount equal to the RSF Reserve Shortfall Amount is needed, such further loan for an amount equal to the RSF Reserve Shortfall Amount within sixty (60) days from the date of the receipt by the RSF Reserve Advance Provider of the relevant notice from the Issuer (such advance, the **RSF Reserve Funding Advance** and, together with the Required Replacement Servicer Fee Reserve Amount, the **RSF Reserve Funding Advances**).

The Issuer will pay interest on the RSF Reserve Funding Advances to the RSF Reserve Advance Provider, in an amount equal to the product of (x) 6.591% *per annum* and (y) the principal balance of the RSF Reserve Funding Advances then outstanding (or such other amount as may be agreed from time to time between the RSF Reserve Advance Provider, the Servicer and the Issuer). The payment of the interest in respect of RSF Reserve Funding Advances will be made on each Payment Date out of the Available Distribution Amounts, in accordance with the applicable Priority of Payments.

The outstanding principal amount of the RSF Reserve Funding Advances will be repaid in accordance with the terms of the Intercreditor Agreement.

Under the Intercreditor Agreement the relevant parties have acknowledged and agreed that, as at the Issue Date, RSF Reserve shall not be funded and shall instead solely be funded by an RSF Reserve Advance if a RSF Reserve Funding Trigger Event occurs.

If notwithstanding its obligations under the Intercreditor Agreement, the RSF Reserve Advance Provider fails to fund a RSF Reserve Funding Advance for any reason (a **RSF Reserve Funding Failure**):

- (a) prior to the delivery by the Representative of the Noteholders of a Trigger Notice, the Issuer shall procure that funds are applied at item *Twenty-second* of the Pre-Enforcement Interest Priority of Payments on the first Payment Date thereafter; or
- (b) following the delivery by the Representative of the Noteholders of a Trigger Notice, the Representative of the Noteholders shall procure that funds are applied at item *Twenty-first* of the of the Post-Enforcement Priority of Payments on the first Payment Date thereafter,

to credit to the RSF Reserve Account with an amount equal to the lesser of (x) the funds available at such item of the applicable Priority of Payments and (y) the amount necessary to cause the balance of the RSF Reserve Account to be at least equal to the Required Replacement Servicer Fee Reserve Amount applicable as of such date.

On each Payment Date following the RSF Reserve Initial Funding Date and the appointment of the Successor Servicer, the Issuer shall debit an amount equal to the Replacement Servicing Costs due for such date from the RSF Reserve Account and apply such amount to pay the Replacement Servicing Costs directly to the Successor Servicer outside the applicable Priority of Payments.

If at any time after a Successor Servicer has been appointed there are insufficient funds standing to the credit of the RSF Reserve Account to pay the fees and costs of the Successor Servicer due and payable on any Payment Date,

- (a) prior to the delivery by the Representative of the Noteholders of a Trigger Notice, the Issuer will procure that funds are applied at item *Fourth* (B) of the Pre-Enforcement Interest Priority of Payments on the first Payment Date thereafter; or
- (b) following the delivery by the Representative of the Noteholders of a Trigger Notice, the

Representative of the Noteholders shall procure that funds are applied at item *Fourth* (B) of the Post-Enforcement Priority of Payments, to pay such fees and costs to the Successor Servicer on such date.

#### *Governing law and jurisdiction*

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

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

### **5. CORPORATE SERVICES AGREEMENT**

On or about the Issue Date, the Issuer and the Corporate Servicer have entered into the Corporate Services Agreement pursuant to which the Corporate Servicer has agreed to provide the Issuer with certain administrative and accountancy services.

The services include the safe-keeping of the documents pertaining to the meetings of the Issuer's quotaholder, directors and auditors, maintaining the quotaholder's register, preparing tax and accounting records, preparing the Issuer's annual financial statements and, more generally, providing every other corporate service which is relevant for the maintenance of the corporate existence, the licenses of or compliance by the Issuer with applicable provisions of law that may be necessary in connection with the Securitisation, cooperating, if necessary or requested by the Issuer, with the other parties involved in the Securitisation.

The Corporate Services Agreement contains provisions to the effect that upon the resignation by or termination of the appointment of the Corporate Servicer, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, including the Conditions and the Rules attached thereto), immediately appoint a successor Corporate Servicer *provided that* no resignation or termination of the appointment of the Corporate Servicer shall take effect until a new Corporate Servicer has been appointed and has agreed to be bound by the provisions of the Intercreditor Agreement and the related Transaction Documents and entered into an agreement on the same terms, *mutatis mutandis*, of the Corporate Services Agreement.

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

### **6. QUOTAHOLDER'S AGREEMENT**

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

The Quotaholder's Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by and shall be construed in accordance with Italian law.

### **7. DEED OF ASSIGNMENT**

On or about the Issue Date, the Issuer and the Representative of the Noteholders have entered into the Deed of Assignment pursuant to which the Issuer has granted, *inter alia*, an English law assignment by way of security of all the Issuer's right, title, benefit and interest from time to time in and to the Interest Rate Swap Agreement, in favour of the Representative of the Noteholders for itself and as security trustee for the Noteholders and the Other Issuer Secured Creditors.

The Deed of Assignment, and any non-contractual obligations arising out of or in connection with it, is

governed by and shall be construed in accordance with English law.

## 8. INTEREST RATE SWAP AGREEMENT

The Issuer entered into the Interest Rate Swap Agreement, in the form of an International Swaps and Derivatives Association 2002 Master Agreement, together with the relevant Schedule, Credit Support Annex and confirmations thereunder, with the Interest Rate Swap Provider with the ratings set out in the Interest Rate Swap Agreement, in order to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

The Interest Rate Swap Provider shall pay to the Issuer, on each Payment Date, (i) an amount calculated by reference to the Floating Amount Rate (as defined in the relevant confirmation), (ii) multiplied by the Notional Amount from time to time (as defined below), (iii) divided by a count fraction of 360, and (iv) multiplied by the number of days of the relevant Interest Period. Such amount shall be calculated by the Interest Rate Swap Calculation Agent for each Interest Period.

The Interest Rate Swap Provider will be obliged to make payments under the Interest Rate Swap Agreement without any withholding or deduction of taxes unless required by law.

For these purposes, the notional amount of the Interest Rate Swap Agreement (the **Notional Amount**) shall be equal (i) for the first Collection Period and for the purpose of calculating amounts payable on the First Payment Date, to € 1,200,000,000 and (ii) in relation to each Collection Period thereafter and for the purpose of calculating amounts payable on the Payment Date at the end of such Collection Period, to the sum of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, as of the previous Payment Date, but subject to a maximum of € 1,200,000,000. To the extent that the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes on the Issue Date is lower than € 1,200,000,000, the Notional Amount for the first Collection Period shall be reduced accordingly and no amount shall be payable by either party of the Interest Rate Swap Agreement in respect of such reduction.

The Interest Rate Swap Agreement will remain in full force until the earlier of (i) the Final Maturity Date; and (ii) the date on which all the Class A Notes, the Class B Notes, Class C Notes and Class D Notes have been redeemed in full in accordance with the Conditions, without prejudice to the early termination provisions by one of the parties thereto in accordance with the terms of the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement shall be fully terminated if the Senior Notes and Mezzanine Notes Subscription Agreement is fully terminated in accordance with the provisions thereunder or if the provisional credit ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are not confirmed as final prior or on the Issue Date.

The Interest Rate Swap Agreement together with each Swap Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, are governed by, and will be construed in accordance, with English law.

## ISSUER ACCOUNTS

From the Issue Date the Issuer is required at all times to maintain the following accounts in its name with the Account Bank:

- (i) the Payment Account;
- (ii) the Expenses Account;
- (iii) the Collection Account;
- (iv) the General Reserve Account; and
- (v) the Collateral Account.

After the Issue Date, the Issuer may open a Securities Account with an account bank that qualifies as an Eligible Institution.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes, and the Class D Notes or, following the delivery of a Trigger Notice, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

In addition the Issuer shall, upon the occurrence of a RSF Reserve Funding Trigger Event, open the RSF Reserve Account with an Eligible Institution.

Pursuant to the Cash Allocation, Management and Payment Agreement, the Issuer Accounts will be held with an Eligible Institution.

Pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement, the Issuer Accounts shall be operated as follows:

### 1. THE COLLECTION ACCOUNT

The Servicer and the Calculation Agent will ensure that the Collection Account shall be:

- (a) on the Issue Date, credited with:
  - (i) the net proceeds of the Senior Notes and the Mezzanine Notes subscribed for by the Joint Lead Managers pursuant to the terms of the Senior Notes and Mezzanine Notes Subscription Agreement;
  - (ii) the net proceeds of the Junior Notes subscribed for by the Junior Notes Subscriber pursuant to the terms of the Junior Notes Subscription Agreement;
  - (iii) the Collections in respect of the Initial Portfolio received by the Seller from (and excluding) the First Selection Date to (but excluding) the Issue Date;
- (b) on the Issue Date, debited by the Purchase Price of the Initial Portfolio to be paid to the Seller by crediting the relevant amount on the Seller Account;
- (c) on the Issue Date, debited by an amount equal to Euro 2,300,000 to be credited to the Expenses Account as Retention Amount;
- (d) on the Issue Date, debited by an amount equal to Euro 13,200,000 to be credited to the Reserve Account as General Reserve Account;
- (e) on each Business Day from (and including) the Issue Date, credited with any amount of Available

Collections and Recoveries (if any) received by the Servicer and to be transferred by it in accordance with the provisions of the Servicing Agreement;

- (f) on each Settlement Date, credited with all interest accrued and credited into the Collection Account and by any income generated by Eligible Investments made from the Collection Account;
- (g) on each Settlement Date, debited by any amount credited to the Collection Account representing the Available Distribution Amounts required to be transferred on such date to the Payment Account;
- (h) on each Business Day, credited with any residual amount received by the Issuer from any of the transaction parties pursuant to the Transaction Documents;
- (i) on the Settlement Date immediately following each Information Date, credited or debited, as the case may be, with any amount (if any) pursuant to clause 5.6 of the Servicing Agreement.

## **2. THE PAYMENT ACCOUNT**

The Calculation Agent will ensure that the Payment Account shall be:

(a) credited:

- (i) on each Settlement Date, by no later than 11:00 a.m. (Milan time) with the amount credited to the Collection Account representing Available Distribution Amount from the Collection Account in relation to the preceding Collection Period;
- (ii) on each Settlement Date, credited with all monies standing to the credit of the General Reserve Account;
- (iii) on each Settlement Date, credited with all interest accrued and credited into the Payment Account and by any income generated by Eligible Investments made from the Payment Account; and

(b) debited:

- (i) on each Payment Date before the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), by any amounts payable pursuant to the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments;
- (ii) on each Payment Date after the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), if directed by the Representative of the Noteholders, by any amounts payable pursuant to the Post-Enforcement Priority of Payments.

## **3. THE GENERAL RESERVE ACCOUNT**

- 3.1 The Calculation Agent will ensure that the General Reserve Account shall, on the Issue Date, be credited through the net proceeds of the Class E Notes paid into the Collection Account, with an amount equal to the General Reserve Required Amount applicable on the Issue Date in order to establish the General Reserve.

3.2 The Calculation Agent will ensure that:

- (a) on each Settlement Date, all amounts standing to the credit of the General Reserve Account shall be transferred to the Payment Account;
- (b) on each Settlement Date, the General Reserve Account shall be credited with all interest accrued and credited into the General Reserve Account and by any income generated by Eligible Investments as communicated by the Cash Manager, made from the General Reserve Account;
- (c) the General Reserve Account shall be credited on each Payment Date in accordance with the applicable Priority of Payments with such amount that would bring the balance standing to the credit of the General Reserve Account up to (but not exceeding) the General Reserve Required Amount applicable on that Payment Date.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes or, following the delivery of a Trigger Notice, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

#### **4. THE EXPENSES ACCOUNT**

- 4.1 The Calculation Agent will ensure that the Expenses Account shall, on the Issue Date, be credited with an amount equal to Euro 2,300,000 as Retention Amount by transferring such amount from the Collection Account. Such amount will be used for the payment of costs, taxes and expenses as set forth under para 4.3 below together with the up-front costs of the Securitisation to be paid by the Issuer on the Issue Date.
- 4.2 The Calculation Agent will ensure that the Expenses Account shall, on each Payment Date, be credited with an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) Euro 40,000 as Retention Amount in accordance with the applicable Priority of Payments.
- 4.3 The Corporate Servicer will ensure that the Expenses Account shall, on any Business Day during each Interest Period or after the redemption in full or cancellation of the Notes, as the case may be, debited by an amount equal to (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, and (ii) all costs and taxes required to be paid to maintain the rating of the Rated Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents.

#### **5. THE RSF RESERVE ACCOUNT**

- 5.1 Following the occurrence of a RSF Reserve Funding Trigger Event, the RSF Reserve Advance Provider will establish the RSF Reserve by crediting to the RSF Reserve Account an amount equal to the Required Replacement Servicer Fee Reserve Amount.
- 5.2 The RSF Reserve will be used by the Issuer to fund the payment by the Issuer of the Replacement Servicing Costs due in connection with the appointment of any Successor Servicer, hence avoiding the application of the Available Distribution Amounts for such purpose.
- 5.3 If, however, the RSF Reserve Advance Provider fails to comply with its funding obligations for any reason, such amounts due to the replacement servicer will instead be paid pursuant to the applicable Priority of Payments.

#### **6. THE COLLATERAL ACCOUNT**

The Collateral Account will be the Account into which any cash collateral to be posted by the Interest



Rate Swap Provider under the Interest Rate Swap Agreement will be credited.

**7. THE SECURITIES ACCOUNT (IF AND ONCE OPENED)**

All Eligible Investments (other than cash invested in time deposit or any other investment which is incapable of being held in the Securities Account) purchased in accordance with the Cash Allocation, Management and Payment Agreement shall be credited to the Securities Account (if and once opened).

## TERMS AND CONDITIONS OF THE NOTES

**Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due December 2036**

**Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036**

**Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036**

**Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036**

**Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036**

**Euro 2,300,000 Series 2024-1 Class Z Asset Backed Variable Return Notes due December 2036**

### GENERAL

The Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due December 2036, the Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036, the Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036, the Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036, the Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036 and the Euro 2,300,000 Series 2024-1 Class Z Asset Backed Variable Return Notes due December 2036 shall be issued on the Issue Date by the Issuer.

The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy. The Issuer is registered in the Register of Enterprises of Milan – Monza Brianza – Lodi with No. 12996670969 and in the register of special purpose vehicles (*Elenco delle Società Veicolo di Cartolarizzazione*) held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 12 December 2023, with No. 48475.8. The Issuer shall issue the Notes pursuant to its by-laws for the purpose of financing, *inter alia*, the payment of the Purchase Price of the Initial Portfolio.

On or prior to the Issue Date, the Issuer shall publish the Prospectus, which shall constitute the *Prospetto Informativo* for the purposes of Article 2, paragraph 3 of the Securitisation Law in respect of the Notes. Copies of the Prospectus will be available, upon request, to the holder of any Note on the Securitisation Repository.

This section headed General shall constitute an essential part of, and shall have the same force and effect as if it was set out in, the terms and conditions of the Notes set out below. These Conditions contain summaries, and are subject to the detailed provisions, of the Transaction Documents.

The principal source of funds available to the Issuer for payment of amounts due and payable in respect of the Notes will be the Collections and the Recoveries made in respect of the Receivables purchased from time to time by the Issuer from the Seller pursuant to and in accordance with the Master Receivables Transfer Agreement.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection, upon request, to the holder of any Note on the Securitisation Repository. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. No amendment to the provisions of these Conditions shall constitute a novation (*novazione*) of the Notes within the meaning of Article 1230 of the Italian Civil Code.

The Noteholders are deemed to have notice of, are bound by and shall have the benefit of, *inter alia*, the Rules, which constitute an integral and essential part of these Conditions. The Rules are attached hereto as Schedule 1. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with these Conditions, the Rules and the Intercreditor Agreement.

Each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto.

Headings used in these Conditions are for ease of reference only and shall not affect their interpretation.

For the purposes of these Conditions, the following capitalised terms shall, except where the context otherwise requires and save where defined therein, have the following meaning:

**ABCP EU STS Requirements** means the requirements set forth under Article 24 (*Requirements for simple, transparent and standardised ABCP securitisation - Transaction-level requirements*) of the EU Securitisation Regulation.

**Account Bank** means BNP Paribas or any other entity acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

**Additional Portfolio** means each additional portfolio of Receivables that may be assigned by the Seller to the Issuer after the Initial Portfolio, pursuant to the terms of the Master Receivables Transfer Agreement.

**Adjusted Available Collections** means any Collection after being subject to an adjustment pursuant to the terms of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

**Affected Receivable** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Aggregate Portfolio** means, on any given date, all the Receivables comprised in the Initial Portfolio and in all the Additional Portfolios assigned by the Seller to the Issuer up to any such date, pursuant to the terms of the Master Receivables Transfer Agreement.

**Aggregate Interest Amount** has the meaning ascribed to such term in Condition 5.4 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Amortisation Event** means any of the following events:

- (a) a Sequential Redemption Event occurs; or
- (b) a Servicer Termination Event occurs; or
- (c) the Default Ratio Rolling Average, calculated on the relevant Calculation Date, is higher than 0.5%; or
- (d) the Delinquency Ratio for the immediately preceding Collection Period, calculated on the relevant Calculation Date, is higher than 5%; or
- (e) on any Payment Date, a debit balance remains outstanding on the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, or the Class D Principal Deficiency Sub-Ledger following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments; or
- (f) on any Payment Date, the amount standing to the credit of the General Reserve Account is lower than the General Reserve Required Amount following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments; or
- (g) on any Payment Date, the Principal Available Distribution Amounts standing to the credit of the Collection Account after application of item *Third* of the Pre-Enforcement Principal Priority of Payments exceeds 10 per cent. of the Outstanding Balance of the Initial Portfolio as of the First

Selection Date for 3 consecutive Purchase Dates; or

- (h) the Issuer delivers a notice of redemption after the occurrence of an Issuer Tax Event, pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*).

**Amortisation Event Notice** means the notice to be sent by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Seller, the Servicer and the Noteholders following the occurrence of an Amortisation Event.

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

**Amortisation Schedule** means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment or any renegotiation entered into by the Servicer in accordance with its Servicing Procedures, the interest rate of such Receivable being equal to the Contractual Interest Rate.

**Ancillary Right** means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and including) the relevant Selection Date, including, without limitation:

- (a) all related rights and claims in relation to the payment of any amount or indemnity in respect of damages suffered and costs, expenses, taxes and ancillary amounts;
- (b) all rights and claims in relation to payment of any other amount or sum due for any reason;
- (c) all the Seller's rights, title and interest in and to any security relating to such Receivable and Auto Loan Contract;
- (d) any related security (if any);
- (e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred from (and including) the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*); and
- (f) any indemnity right to be paid by the Insurance Companies under the Insurance Policies (if any).

**Arrangers** means Banco Santander, S.A. and BofA Securities and **Arranger** means each of them.

**Arrears Amount** means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Receivables when such Receivable is a Delinquent Receivable.

**Auto Loan** means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

**Auto Loan Contract** means any loan granted by the Seller to any Debtor for the purchase of a Car, including, for avoidance of doubt, any Standard Auto Loan Contract and any Balloon Auto Loan Contract.

**Available Collections** means:

- (a) all Collections; plus

- (b) any Non-Conformity Rescission Amount paid by the Seller in connection with the rescission and indemnification procedure as set forth in the Master Receivables Transfer Agreement in respect of Affected Receivables; plus
- (c) any Repurchase Amount paid by the Seller in relation to any Non-Permitted Renegotiation; plus
- (d) any amount received by the Issuer as purchase price for the sale of the Receivables pursuant to the Transaction Documents; plus
- (e) any Adjusted Available Collections; plus
- (f) any amount relating to any Prepayment, including, for the avoidance of doubt, any amount pursuant to the terms of the Servicing Agreement (meaning any amount due under the relevant Auto Loan Contract in respect of which the Debtor is released upon the exercise of the relevant Prepayment).

**Available Distribution Amounts** means, in relation to each Payment Date, the aggregate of all:

- (a) Interest Available Distribution Amounts; and
- (b) Principal Available Distribution Amounts.

**Back-up Servicer Implementation Event** means the failure by each of SFS Italia, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that:

- (a) as long as one of SFS Italia, BPF or SCF maintains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred; and
- (b) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of SFS Italia.

**Back-up Servicer** means the entity which shall be appointed as back-up servicer in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event, as provided for under the Servicing Agreement.

**Back-up Servicer Facilitator** means SCF acting as back-up servicer facilitator pursuant to the Intercreditor Agreement.

**Back-up Servicing Agreement** means the agreement to be entered into between the Issuer and the Back-up Servicer, if appointed as provided for under the Servicing Agreement, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Balloon Auto Loan Contract** means each Auto Loan Contract (including any VFG Balloon Auto Loan Contract and Final Instalment Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments for each phase of the amortisation plan, *provided that* there will be no more than two phases and a Balloon Instalment, namely "*VAC Balloon Non Fidelizzanti*" and "*VAC Balloon Fidelizzanti*" and **Balloon Auto Loan Contracts** means all of them.

**Balloon Instalment** means the final larger balloon instalment due under the Balloon Auto Loan Contracts and **Balloon Instalments** means all of them.

**Banco Santander** means Banco Santander, S.A., a banking entity incorporated under the laws of Spain, whose registered office is at Paseo de Pereda 9-12, Santander, Spain, registered with the Banco de España (Bank of Spain) under No. 0049, and with Tax Identification Code A-39000013.

**BNP Paribas** means BNP Paribas, a bank incorporated under the laws of France, having its registered office at Boulevard des Italiens, No. 16, 75002 Paris, France, acting through its Italian branch, whose office is at

Piazza Lina Bo Bardi, No. 3, 20124 Milan, Italy.

**Board of Directors** has the meaning ascribed to such term in the Corporate Services Agreement.

**Board of Statutory Auditors** has the meaning ascribed to such term in the Corporate Services Agreement.

**BPF** means Banque PSA Finance, a *société anonyme* incorporated under the laws of France, whose registered office is located at 2, Boulevard de l'Europe, 78300 Poissy (France), registered with the Trade and Companies Registry of Paris (France) under No. 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

**BofA Securities** means BofA Securities Europe S.A., a company organised under the laws of France and registered at 51 rue La Boétie, 75008 Paris under No. 842 602 690 RCS Paris.

**Business Day** means any day, other than Saturday and Sunday, on which the T2 is open and on which banks are open for business in London, Luxembourg, Madrid, Milan, Paris and Turin.

**Calculation Agent** means Zenith or any other person acting as calculation agent pursuant to the Cash Allocation, Management and Payment Agreement, from time to time and any of its permitted successors or transferees.

**Calculation Amount** means € 1,000 in Principal Amount Outstanding upon issue.

**Calculation Date** means the 4<sup>th</sup> (fourth) Business Day before each Payment Date.

**Cancellation Date** means the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Servicer gives notice to the Issuer, the Representative of the Noteholders and the Noteholders that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising from an enforcement of the Note Security or otherwise) being available to the Issuer.

**Car** means, as the case may be, a New Car or a Used Car.

**Car Dealer** (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Stellantis network in Italy, or a car dealer being franchised with the Stellantis network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

**Car Manufacturer** means each manufacturer of Cars belonging to the car brands owned by Stellantis, from time to time.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Paying Agent and the Account Bank, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Cash Manager** means SFS Italia or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement and any of its permitted successors or transferees.

**Class A Noteholder** means any holder of the Class A Notes from time to time.

**Class A Notes** means the Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due

December 2036.

**Class A Notes Interest Amount** means the Interest Amount due on each Class A Note on each Payment Date.

**Class A Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class A Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.

**Class B Noteholder** means any holder of the Class B Notes from time to time.

**Class B Notes** means the Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036.

**Class B Notes Interest Amount** means the Interest Amount due on each Class B Note on each Payment Date.

**Class B Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class B Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.

**Class C Noteholder** means any holder of the Class C Notes from time to time.

**Class C Notes** means the Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036.

**Class C Notes Interest Amount** means the Interest Amount due on each Class C Note on each Payment Date.

**Class C Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class C Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.

**Class D Noteholder** means any holder of the Class D Notes from time to time.

**Class D Notes** means the Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036.

**Class D Notes Interest Amount** means the Interest Amount due on each Class D Note on each Payment Date.

**Class D Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class D Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.

**Class E Noteholder** means any holder of the Class E Notes from time to time.

**Class E Notes** means the Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036.

**Class E Notes Interest Amount** means the Interest Amount due on each Class E Note on each Payment Date.

**Class E Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class E Notes Target Amortisation Amount** means an amount equal to the minimum of (i) the Principal Amount Outstanding of the Class E Notes, and (ii) the Interest Available Distribution Amounts after application of item *Sixteenth* of the Pre-Enforcement Interest Priority of Payments.

**Class Z Noteholder** means any holder of the Class Z Notes from time to time.

**Class Z Notes** means the Euro 2,300,000 Series 2024-1 Class Z Asset Backed Variable Return Notes due December 2036.

**Class, Class of Notes or Class of Noteholders** will be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class Z Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

**Clean Up Event** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Clean Up Option** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Clean Up Option Date** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Collateral Account** means the Euro denominated account established in the name of the Issuer with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Collateral Aggregate Portfolio** means, on any given date, the aggregate of all Receivables comprised in the Aggregate Portfolio, other than any Defaulted Receivables as of the relevant date.

**Collateral Amounts** means any collateral consisting of cash standing to the credit of the Collateral Account.

**Collection Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Collection Period** means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), *provided that* the first Collection Period shall be the period comprised between the First Selection Date (excluded) and the First Determination Date (included).

**Collections** means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) received by the Servicer in relation to the Receivables (other than the Defaulted Receivables), including, for avoidance of doubt, with reference to the VFG Balloon Auto Loan Contracts, the payments made by the Car Dealers or the Car Manufacturers in relation to the Balloon Instalments.

**Commercial Debtor** means each Debtor which is not a Private Debtor.

**Conditions** means these terms and conditions of the Notes and **Condition** means any article of the Conditions.

**Confidential Information** means any information relating to the commercial activities, the financial situation or any other matter of a confidential nature concerning any party and any other term or condition of any



Transaction Document.

**Connected Third Party Creditor** means any third party creditor of the Issuer other than the Noteholders and the Other Issuer Secured Creditors.

**Consumer Code** means the Legislative Decree No. 206 of 6 September 2005, as amended and supplemented from time to time.

**Constant Prepayment Rate** means the annual equivalent rate of the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

- (a) "A" is the aggregate prepayment amounts of Performing Receivables during the immediately preceding Collection Period; and
- (b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

**Consumer Credit Legislation** means the Consumer Code, the provisions regarding consumer credit regulated by Articles 121 to 128 of the Italian Banking Act and all other applicable legal and implementing regulatory provisions applying to consumers.

**Contracts Eligibility Criteria** means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 1 (*Contracts Eligibility Criteria*) of the Master Receivables Transfer Agreement.

**Contractual Interest Rate** means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Debtor.

**Corporate Servicer** means Zenith or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time, and any of its permitted successors or transferees.

**Corporate Services Agreement** means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**CRA Regulation** means the EU CRA Regulation or the UK CRA Regulation (as the case may be).

**CRA 3 Regulation** means Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013, as amended and supplemented from time to time.

**CRR** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, referred to as the Capital Requirements Regulation (as amended, supplemented and/or replaced from time to time).

**CRR Amendment Regulation** means Regulation (EU) No. 2401 of 12 December 2017 amending the CRR.

**CRR Assessment** means the assessment of the compliance of the Notes with the relevant provisions of Article 243 of the CRR carried out by PCS.

**Cumulative Loss Ratio** means, with reference to the last day of each Collection Period, the ratio expressed as a percentage between:

- (a) the aggregate of the Outstanding Balance of the Defaulted Receivables during the period from the First Purchase Date until the last day of each relevant Collection Period reduced by the amount of the Recoveries received in respect of the Defaulted Receivables during such period; and
- (b) the aggregate Outstanding Balance of the Initial Portfolio, as at the relevant Selection Date.

**DBRS or Morningstar DBRS** means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH and any of its successors in this rating activity, and (ii) in any other case, any entity that is part of Morningstar DBRS.

**DBRS Equivalence Chart** means the DBRS rating equivalent of any of the below ratings by Fitch or Moody's:

<b>DBRS</b>	<b>Moody's</b>	<b>Fitch</b>
AAA	Aaa	AAA
AA(high)	Aa1	AA+
AA	Aa2	AA
AA(low)	Aa3	AA-
A(high)	A1	A+
A	A2	A
A(low)	A3	A-
BBB(high)	Baa1	BBB+
BBB	Baa2	BBB
BBB(low)	Baa3	BBB-
BB(high)	Ba1	BB+
BB	Ba2	BB
BB(low)	Ba3	BB-
B(high)	B1	B+
B	B2	B
B(low)	B3	B-
CCC(high)	Caa1	CCC+
CCC	Caa2	CCC
CCC(low)	Caa3	CCC-
CC	Ca	CC
C	C	D

**DBRS Equivalent Rating** means:

- (a) if a Fitch public rating and a Moody's public rating are both available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower rating available; or
- (b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any of Fitch and Moody's are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

*provided that*, if only one or none of a Fitch public rating and a Moody's public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

**DBRS Minimum Rating** means:

- (a) if a Fitch public long term rating and a Moody's public long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and
- (b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but Public Long Term Ratings by any one of Fitch and Moody's are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (*provided that* if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Debtor** means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

**Decree 239** means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

**Decree 239 Withholding** means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

**Deed of Assignment** means the deed of assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders and governed by English law, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Default Date** means the date on which a Receivable becomes a Defaulted Receivable.

**Default Ratio** means, with reference to the last day of each Collection Period during the Revolving Period, the ratio expressed as a percentage between (i) the Defaulted Amounts with reference to the relevant Collection Period (excluding, for the avoidance of doubt, any Receivables which have become Defaulted Receivables before such Collection Period) and (ii) the aggregate Outstanding Balance of all Receivables as at the last day of the immediately preceding Collection Period, as determined by the Servicer in the Monthly Servicing Report.

**Default Ratio Rolling Average** means, with reference to the last day of each Collection Period during the Revolving Period, the average of the Default Ratio for the three immediately preceding Collection Periods as determined by the Servicer in the Monthly Servicing Report, *provided that*, as at the last day of the first

Collection Period, it shall be equal to the Default Ratio for the relevant Collection Period, and as at the last day of the second Collection Period it shall be equal to the average of the Default Ratio for the two first Collection Periods.

**Defaulted Amount** means the Outstanding Balance of any Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

**Defaulted Receivable** means a Receivable which has been recorded by the Servicer as "in default" in accordance with Article 178 of the CRR (including, for the avoidance of doubt, any regulations and/or guidelines issued in respect thereof by any competent authorities), meaning that:

- (a) the Servicer considers the relevant Debtor is unlikely to pay its credit obligations, the parent undertaking or any of its subsidiaries in full, without recourse by the Servicer to actions such as realizing security; or
- (b) the relevant Debtor is past due more than 90 days on any of its material credit obligation.

**Defaulted Receivables Repurchase Price** means, in relation to any Defaulted Receivables, a fair market value price (taking into account the defaulted nature of the receivables) as determined by the Servicer being (A) not less than 25% of the aggregate of (i) its Defaulted Amount and (ii) any Arrears Amount at the date where the Receivable became a Defaulted Receivable and (B) not higher than 100% of the sum of (a) its Defaulted Amount and (b) any Arrears Amount at the date where the Receivable became a Defaulted Receivable.

**Delinquency Ratio** means, with reference to the last day of each Collection Period, the ratio expressed as a percentage between: (i) the aggregate of the Outstanding Balance of all the Receivables comprised in the Aggregate Portfolio which are Delinquent Receivables as at the last day of the relevant Collection Period, and (ii) the aggregate Outstanding Balance of all the Receivables comprised in the Collateral Aggregate Portfolio, as at the last day of the relevant Collection Period.

**Delinquency Ratio Rolling Average** means, with reference to the last day of each Collection Period, the average of the Delinquency Ratio for the three immediately preceding Collection Periods as determined by the Servicer in the Monthly Servicing Report; *provided that*, as at the last day of the first Collection Period, it shall be equal to the Delinquency Ratio for the relevant Collection Period and, as at the last day of the second Collection Period, it shall be equal to the average of the Delinquency Ratio for the two first Collection Periods.

**Delinquent Receivable** means any Performing Receivable in respect of which an amount is already overdue and not yet classified as Defaulted Receivable.

**Demonstration Car** means a Stellantis brand car produced at a Stellantis group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

**Determination Date** means the last day of each calendar month.

**EBA Guidelines on STS Criteria** means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*" or the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for ABCP securitisation*".

**Effective Interest Rate** means the annual rate of interest communicated by the Seller to the Calculation Agent and calculated so that when, in respect of an Instalment Due Date, its monthly equivalent is multiplied by the Outstanding Balance applicable from the previous Instalment Due Date (excluded) to such Instalment Due Date of each Receivable the amount so obtained is equal to interest component of the Instalment due by the

Debtor.

**Eligibility Criteria** means the eligibility criteria relating to the Auto Loan Contracts, the Receivables and the Aggregate Portfolio set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

**Eligible Institution** means any depository institution organised under the laws of any State which is a member of the European Union or the United Kingdom or of the United States of America which has at least the following ratings:

- (a) "A" by DBRS with respect to the higher of (A) a rating one notch below the long-term critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A"; and
- (b) "F1" by Fitch with respect to the short-term deposit rating or, in case the deposit rating is not available, with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term deposit rating or, in case the deposit rating is not available, with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

**Eligible Investment** means:

- (a) any euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposit and certificate of deposit), commercial papers or other debt instruments (but excluding, for the avoidance of doubts, credit linked notes and money market funds), or
- (b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments, *provided that*:
  - (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;
  - (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment Maturity Date;
  - (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
  - (iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

*provided that*, in all cases:

- (a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;
- (b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;
- (c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; *provided that* in the case of Eligible

Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and

- (d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:
- (i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
  - (ii) if such investment consists of a money market fund: "AAAmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and
- (e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
- (i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
  - (ii) if such investment consists of a money market fund: "AAAmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

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

**Eligible Investment Maturity Date** means the Settlement Date immediately following the date on which the Eligible Investment was made.

**Enforcement Proceedings** means any judicial proceeding or any proceeding aimed at recovering any Receivable, including the enforcement of the Ancillary Rights.

**ESMA** means the European Securities and Markets Authority established by Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010, amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC.

**EU Benchmarks Regulation** means Regulation (EU) 2016/1011, as amended and/or supplemented from

time to time.

**EU CRA Regulation** means the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, supplemented and integrated from time to time).

**EU MiFIR** means the Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, supplemented and integrated from time to time).

**EU PRIIPs Regulation** means the Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, supplemented and integrated from time to time).

**EU Prospectus Regulation** means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, supplemented and integrated from time to time).

**EU Securitisation Regulation** means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012.

**EU Securitisation Rules** means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, and (vi) any other rule or official interpretation implementing and/or supplementing the same.

**EU STS Requirements** means the Non-ABCP EU STS Requirements and the ABCP EU STS Requirements, collectively.

**EURIBOR** has the meaning given to such term in the Condition 5.2 (*Interest Rate and Variable Return*).

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

**Euronext Securities Milan** means Monte Titoli S.p.A., with registered office at Piazza degli Affari No. 6, 20123 Milan, Italy.

**Euronext Securities Milan Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

**EUWA** means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

**Execution Date** means 19 June 2024.

**Expenses Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

**Final Instalment Balloon Auto Loan Contract** means a Balloon Auto Loan Contract in respect of which the relevant Debtor has the obligation to pay the relevant Balloon Instalment and, upon request, may be granted

an extension of the Auto Loan consequently dividing the payment of such Balloon Instalment into several additional instalments, in accordance with the relevant provisions of such contract.

**Final Maturity Date** means the final maturity date of the Notes, being the Payment Date falling in December 2036.

**Financed Services** means the services for the protection of the Car (i.e. Anti-theft, T&F insurance, replacement of the Car) the price of which is included in the relevant Instalment.

**First Determination Date** means 31 July 2024.

**First Interest Period** means the interest period from (and including) the Issue Date to (but excluding) the First Payment Date.

**First Payment Date** means the Payment Date falling in August 2024.

**First Purchase Date** means 19 June 2024.

**First Selection Date** means 17 of June 2024.

**Fitch** means (i) for the purpose of identifying which Fitch entity has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (*Sede secondaria Italiana*) and any of its successors in this rating activity, and (ii) in any other case, any entity that is part of Fitch Ratings' group.

**Foreclosure Proceedings** means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 3.2 (*Covenants – Further Securitisations*).

**GDPR** means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

**General Reserve** means the funds standing from time to time to the credit of the General Reserve Account.

**General Reserve Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**General Reserve Replenishment Amount** means, in respect of any Payment Date prior to the earlier of (i) the Cancellation Date, (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Class A Notes, the Class B Notes, the Class C Notes the Class D Notes and the Class E Notes and (iii) the Payment Date following the delivery of a Trigger Notice, the amount to be transferred to the General Reserve Account in order to bring the balance thereof up to (but not exceeding) the General Reserve Required Amount applicable on the relevant Payment Date.

**General Reserve Required Amount** means:

- (a) in respect of the Issue Date, an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as at the Issue Date; and
- (b) in respect of each Payment Date, an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as at the relevant Payment Date *provided that* such amount cannot be lower than an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the



Class C Notes and the Class D Notes as at the Issue Date,

*provided that* on the earlier of (i) the Cancellation Date, (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (together with interest accrued thereon) and (iii) the Payment Date following the delivery of a Trigger Notice, the General Reserve Required Amount will be reduced to 0 (zero).

**Global Portfolio Limits** means the global portfolio limits set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 3 (*Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

**Guarantor** means each person who has granted a related security or which assumed the obligations of a Debtor or of a Car Dealer arising from an Auto Loan Contract that with reference to a VFG Balloon Auto Loan Contract includes also a Car Manufacturer.

**Implementing Regulations** means any rules, regulations and guidelines issued by the Bank of Italy or any other public authority and which implement the Securitisation Law, as amended, supplemented and integrated from time to time.

**Independent Director** has the meaning ascribed to such term in the Corporate Services Agreement.

**Individual Purchase Price** means the purchase price of each Receivable, being equal to the Outstanding Balance of the relevant Receivable as at the relevant Selection Date (included).

**Information Date** means the date falling no later than 6 (six) Business Days following each Determination Date.

**Initial Interest Period** means the period comprised between (a) the Issue Date (included) and (b) the First Payment Date (excluded).

**Initial Portfolio** means the initial portfolio of Receivables assigned by the Seller to the Issuer, pursuant to the terms of the Master Receivables Transfer Agreement.

**Inside Information and Significant Event Report** means the report required to be delivered pursuant to Article 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation by the Seller pursuant to the Intercreditor Agreement.

**Insolvency Event** means in relation to a person any of the following:

- (a) *Inability to pay debts*: such person:
  - (i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or
  - (ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of Article 56 of the Italian Insolvency Code; or
  - (iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or
- (b) *Insolvency proceedings*: such person:
  - (i) is adjudicated or found insolvent; or

- (ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or
- (iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (i) or (ii) above.

**Insolvency Proceedings** means the judicial liquidation (*liquidazione giudiziale*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-insolvency proceedings (*concordato preventivo*), out-of court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

**Insolvent** means a person which is subject to an Insolvency Event.

**Instalment Due Date** means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

**Instalment** means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be paid by the Debtor on each date on which such instalment is due and payable under that Auto Loan Contract.

**Insurance Company** means each of the insurance companies granting an Insurance Policy.

**Insurance Policy** means any insurance policy entered into by the Debtor in relation to a Receivable and/or an Auto Loan Contract.

**Intercreditor Agreement** means the intercreditor agreement entered into on or prior the Issue Date between the Issuer and the Other Issuer Secured Creditors as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Accrual** means, in respect of each Portfolio, the aggregate of the amount of interests accrued but unpaid up to (but excluding) the relevant Selection Date in respect of all the Receivables comprised in the relevant Portfolio and **Interest Accruals** means all of them.

**Interest Amount** has the meaning ascribed to such term in Condition 5.4 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Interest Amount Arrears** means any interest amount due in respect of any of the Senior Notes or the Mezzanine Notes (other than the Most Senior Class of Notes) which has remained unpaid on its due date and has been deferred pursuant to Condition 5.8 (*Interest Deferral*).

**Interest Available Distribution Amounts** means, in respect of any Payment Date, the aggregate of the following amounts (without double counting):

- (a) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period, net of any amount allocated pursuant to item (i) of the Principal Available Distribution Amounts in respect of such Payment Date;
- (b) any other interest amounts paid by the Seller to the Issuer under or with respect to the Master Receivables Transfer Agreement and any other interest amounts paid by the Servicer to the Issuer

under or with respect to the Servicing Agreement, in each case as collected during the immediately preceding Collection Period;

- (c) the income received in respect of the Eligible Investments (if any) made, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (d) the General Reserve in the following amounts:
  - (i) on each Payment Date prior to the date identified under paragraph (ii) below, the General Reserve as at each such Payment Date in full; and
  - (ii) on the earlier of
    - (1) the Final Maturity Date;
    - (2) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and
    - (3) the Payment Date following the delivery of a Trigger Notice,  
  
the General Reserve as at each such Payment Date, in an amount (if any) equal to the positive difference (if any) between the following amounts as at such date: (A) the aggregate amounts payable under items *First* to *Sixteenth* of the Pre-Enforcement Interest Priority of Payments (with the exception of item *Tenth*) and (B) the Interest Available Distribution Amounts (net of the General Reserve);
- (e) all amounts of positive interest accrued and paid on the Issuer Accounts, other than the Expenses Account and the RSF Reserve Account, during the immediately preceding Collection Period, net of any applicable withholding or expenses;
- (f) payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period, excluding those amounts constituting Principal Available Distribution Amount and excluding any RSF Reserve Funding Advances;
- (g) any amounts received by the Issuer under the Interest Rate Swap Agreement and, only to the extent that an Interest Rate Swap Provider Default occurs, or when the early termination has been designated as a consequence of a "Termination Event" (as this term is defined in the Interest Rate Swap Agreement) in which the Interest Rate Swap Provider is the "Affected Party" (as this term is defined in the Interest Rate Swap Agreement) and the Interest Rate Swap Agreement is early terminated, the following amounts: (i) any amounts held by the Issuer as collateral; or (ii) if the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination is payable by the Issuer to the Interest Rate Swap Provider and the amounts held by the Issuer as collateral are higher than such amount, the amount of collateral held which exceeds the amount payable to the Interest Rate Swap Provider. For the avoidance of doubt, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination shall be paid by the Issuer to the Interest Rate Swap Provider using the Collateral Amounts held by the Issuer. In the event that such Collateral Amounts are not sufficient, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination (or the part of that amount not covered by the collateral held by the Issuer) shall be paid according to the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments, as applicable;
- (h) the interest component of the purchase price received by the Issuer in relation to the sale and/or

repurchase of any Receivables (other than Defaulted Receivables) made during the immediately preceding Collection Period;

- (i) any Recoveries, including any purchase price received in relation to the sale and/or repurchase of any Defaulted Receivables, received by the Issuer in respect of any Defaulted Receivables during the Collection Period immediately preceding such Calculation Date;
- (j) any Principal Available Distribution Amounts to be allocated in or towards provision of the Interest Available Distribution Amounts on such Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments and the Transaction Documents;
- (k) on the Regulatory Call Early Redemption Date only, the Seller Loan Interest Redemption Amount;
- (l) the principal components received by the Issuer in respect of the Receivables described under item (a) of the Principal Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Principal Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item; and
- (m) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Distribution Amounts.

**Interest Determination Date** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Interest Period** means the First Interest Period and, thereafter, each period from (and including) a Payment Date to (but excluding) the immediately succeeding Payment Date.

**Interest Rate** has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

**Interest Rate Swap Agreement** means the interest rate swap agreement entered into on or about the Issue Date between the Issuer and the Interest Rate Swap Provider in the form of an International Swaps and Derivatives Association 2002 Master Agreement, together with the relevant Schedule, Credit Support Annex and confirmations thereunder, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Rate Swap Calculation Agent** means Banco Santander or any other entity acting as interest rate swap calculation agent pursuant to the Interest Rate Swap Agreement from time to time, and any of its permitted successors or transferees.

**Interest Rate Swap Provider** means Banco Santander or any other entity acting as interest rate swap provider pursuant to the Interest Rate Swap Agreement from time to time, and any of its permitted successors or transferees.

**Interest Rate Swap Provider Default** means the occurrence of an "Event of Default" (as defined in the Interest Rate Swap Agreement) in respect of which the Interest Rate Swap Provider is the "Defaulting Party" (as defined in the Interest Rate Swap Agreement).

**Interest Rate Swap Provider Downgrade Event** means the circumstance that the Interest Rate Swap Provider or its credit support provider pursuant to the Interest Rate Swap Agreement (as applicable) ceases to have the initial or subsequent rating threshold required under the Interest Rate Swap Agreement.

**Investor Report** means the report required to be prepared and delivered by the Calculation Agent on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement in the form set out in Schedule 2 (*Form of Investor Report*) of the Cash Allocation, Management and Payment Agreement.

**ISDA Master Agreement** means the form of an International Swaps and Derivatives Association 2002 Master Agreement together with the relevant Schedule, entered into on or about the Issue Date between the Issuer and the Interest Rate Swap Provider.

**Issue Date** means 27 June 2024.

**Issue Price** means, in respect of all the Notes, 100% of their principal amount upon issue.

**Issuer Accounts** means the accounts opened in the name of the Issuer in the context of the Securitisation.

**Issuer** means Auto ABS Italian Stella Loans S.r.l. a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, quota capital of euro 10,000.00, fully paid up, registration in the Register of Enterprises of Milan – Monza Brianza – Lodi, Fiscal Code and VAT No. 12996670969 and enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy 12 December 2023 under No. 48475.8.

**Issuer Secured Creditors** means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Bank, the Corporate Servicer, the Quotaholder, the RSF Reserve Advance Provider, the Back-up Servicer Facilitator and the Arrangers.

**Issuer Tax Event** has the meaning ascribed to such term in Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*).

**Italian Banking Act** means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**Italian Civil Code** means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

**Italian Factoring Law** means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

**Italian Financial Act** means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**Italian Insolvency Code** means the Italian Legislative Decree No. 14 of 12 January 2019 (*Codice della crisi d'impresa e dell'insolvenza*), as amended, integrated and supplemented from time to time.

**Italian Privacy Law** means the Legislative Decree No. 196 of 30 June 2003 as amended and supplemented from time to time.

**Joint Lead Managers** means, collectively, Banco Santander, BofA Securities and Société Générale and **Joint Lead Manager** means each of them.

**Junior Noteholder** means the Holder of a Junior Note and **Junior Noteholders** means all of them.

**Junior Notes** means the Class Z Notes.

**Junior Notes Subscriber** means SFS Italia.

**Junior Notes Subscription Agreement** means the subscription agreement relating to the Junior Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Junior Notes Subscriber, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Master Receivables Transfer Agreement** means the master receivables transfer agreement entered into on

the Execution Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Material Adverse Effect** means any event or circumstance or series of events or circumstances which is, or could reasonably be expected to be, materially adverse to:

- (a) the business, operations, or financial condition of the Seller or the Servicer insofar as it relates to the ability of the Seller or the Servicer to perform its obligations under any Transaction Document to which it is a party;
- (b) the legality, validity or enforceability of any Transaction Document to which the Seller or the Servicer is a party;
- (c) the collectability of more than 5% of the Performing Receivables.

**Mezzanine Noteholder** means the Holder of a Mezzanine Note and **Mezzanine Noteholders** means all of them.

**Mezzanine Notes** means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and **Mezzanine Note** means any of them.

**Monthly Scheduled Collection** means, in respect of any Collection Period, the aggregate amount of Instalments of all Performing Receivables to be paid during such Collection Period.

**Monthly Servicing Report** means the report required to be prepared and delivered by the Servicer on a monthly basis pursuant to the Servicing Agreement on or prior to each Information Date in the form set out in Schedule 3 (*Form of Monthly Servicing Report*) of the Servicing Agreement.

**Monthly Servicing Report Delivery Failure Event** means the event which will have occurred upon the Servicer's failure to deliver the Monthly Servicing Report on the relevant Information Date; *provided that* such event will cease to be outstanding when the Servicer delivers the Monthly Servicing Report.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means:

- (a) if any Class A Notes are outstanding, the Class A Notes;
- (b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes;
- (c) if any Class C Notes are outstanding and no Class A Notes and Class B Notes are outstanding, the Class C Notes;
- (d) if any Class D Notes are outstanding and no Class A Notes, Class B Notes and Class C Notes are outstanding, the Class D Notes;
- (e) if any Class E Notes are outstanding and no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, the Class E Notes; and
- (f) if any Class Z Notes are outstanding and no Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E are outstanding, the Class Z Notes.

**New Car** means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

**Nominal Amount** means, respectively, Euro 1,062,000,000 for the Class A Notes; Euro 78,000,000 for the Class B Notes; Euro 34,800,000 for the Class C Notes; Euro 25,200,000 for the Class D Notes; Euro

13,200,000 for the Class E Notes; and Euro 2,300,000 for the Class Z Notes.

**Non-ABCP EU STS Requirements** means the requirements set forth under Articles 19 to 22 (*Requirements for simple, transparent and standardised non-ABCP securitisation*) of the EU Securitisation Regulation.

**Non-Conformity Notice** means the notice by which it is communicated that a Receivable is an Affected Receivable.

**Non-Conformity Repurchase Date** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Non-Conformity Rescission Amount** means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with the terms of the Master Receivables Transfer Agreement.

**Non-Permitted Renegotiation** means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is (a) not a Permitted Renegotiation or/and (b) in breach of Clause 4.2 of paragraphs (i) and/or (ii) of the Servicing Agreement.

**Non-Permitted Renegotiation Repurchase Date** means the date as specified in the Master Receivables Transfer Agreement.

**Note Security** means the security interests created under the Security Document and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Secured Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Secured Creditors.

**Noteholder** means, at any time, the holder of any Note.

**Notes** means, collectively, the Senior Notes, the Mezzanine Notes and the Junior Notes.

**Notification Event** means the occurrence of a Servicer Termination Event.

**Obligor** means any Debtor, Car Dealer and/or Guarantor.

**Offer File** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Official Gazette Notice of Assignment** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders

**Other Issuer Secured Creditors** means the Issuer Secured Creditors other than the Noteholders.

**Other Rights** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Outstanding Balance** means, in respect of a Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable Amortisation Schedule of such Receivable on such date.

**Paying Agent** means BNP Paribas any entity appointed or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

**Payment Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Payment Date** means, in respect of any principal and/or interest payment in respect of the Notes, the First Payment Date and, thereafter, the 29<sup>th</sup> calendar day of each month or the following Business Day if that day is not a Business Day, except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Business Day.

**PCS** means Prime Collateralised Securities (PCS) EU SAS.

**Performing Receivable** means any Receivable which is not a Defaulted Receivable.

**Permitted Renegotiation** means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, *provided that* the same are made in accordance with and subject to the Servicing Agreement:

- (a) without prejudice for letter (e) below, a modification of the Instalment Due Date of the relevant Auto Loan Contract such that the modified Instalment Due Date falls within the same calendar month;
- (b) any amendment in view to correct a manifest error during the life of the Auto Loan Contract or something that was not properly done at the time of origination of the Auto Loan Contract;
- (c) any amendment which is of a formal, minor or technical nature;
- (d) any amendment required by law or to reflect any guidance or pronouncement issued by any competent administrative, regulatory or judicial public authority or conventions or arrangements of institutional or trade associations;
- (e) with reference to the Balloon Auto Loan Contracts, any refinancing of the relevant Balloon Auto Loan Contracts in the event that the Debtor decides to refinance the Balloon Instalment therein, including, among others, to negotiate a new amortisation plan, or any other potential changes under the Balloon Auto Loan Contracts, *provided that* (i) the maturity date of the relevant Balloon Auto Loan Contracts, as refinanced, does not exceed 72 (seventy two) months from the date of execution of the relevant Balloon Auto Loan Contract, and (ii) the interest rate of the refinanced Balloon Instalment is a fixed rate equal to at least 4.5%.

**Portfolio** means the Initial Portfolio or any Additional Portfolio, as the case may be, and **Portfolios** means all of such portfolios, collectively.

**Post-Enforcement Priority of Payments** means the post-enforcement priority of payments as set forth under Condition 4.4 (*Order of priority - Post-Enforcement Priority of Payments*).

**Pre-Enforcement Interest Priority of Payments** means the pre-enforcement interest priority of payments as set forth under Condition 4.1 (*Order of priority - Pre-Enforcement Interest Priority of Payments*).

**Pre-Enforcement Principal Priority of Payments** means the pre-enforcement principal priority of payments as set forth under Condition 4.2 (*Order of priority - Pre-Enforcement Principal Priority of Payments*).

**Prepayment** means any prepayment, made in whole or in part (including any prepayment indemnities), by any Debtor in respect of a Performing Receivable subject to the applicable provisions of the Auto Loan Contracts.

**Previous Securitisation** means the previous securitisation of receivables arising out of auto loans originated by SFS Italia effected by the Issuer in 2023 through the issuance of the following asset-backed notes: (i) Euro 660,000,000 Class A Asset Backed Floating Rate Notes due October 2039; (ii) Euro 42,000,000 Class B Asset-Backed Floating Rate Notes due October 2039; (iii) Euro 17,250,000 Class C Asset-Backed Floating Rate Notes due October 2039; (iv) Euro 30,750,000 Class D Asset-Backed Floating Rate Notes due October 2039; (v) Euro 10,500,000 Class E Asset-Backed Floating Rate Notes due October 2039; and (vi) Euro 1,000,000 Class Z Asset-Backed Variable Return Notes due October 2039.



**PRIIPs Regulation** means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended and/or supplemented from time to time.

**Privacy Authority** means the Italian data protection authority (*Autorità Garante della Privacy*).

**Principal Addition Amounts** means, on each Calculation Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*) on which the Calculation Agent determines that a Senior Expenses Deficit would occur on the immediately following Payment Date, the amount of Principal Available Distribution Amounts (to the extent available) equal to the lesser of:

- (a) the amount of Principal Available Distribution Amounts available for application pursuant to the Pre-Enforcement Principal Priority of Payments on the immediately following Payment Date; and
- (b) the amount of such Senior Expenses Deficit.

**Principal Amount Outstanding** means, on any date, with reference to a Note or a Class of Notes, the nominal principal amount of such Note on the Issue Date, less the aggregate amount of all Principal Payments that have been made in respect of that Note up to any such given date.

**Principal Available Distribution Amounts** means in respect of any Payment Date, the aggregate of the following amounts (without double counting):

- (a) the principal components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period and net of any amount allocated pursuant to item (j) of the Interest Available Distribution Amounts in respect of such Payment Date;
- (b) the amounts allocated under item *Eleventh* of the Pre-Enforcement Interest Priority of Payments out of the Interest Available Distribution Amounts;
- (c) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items *Second* and *Third*, of the Pre-Enforcement Principal Priority of Payments, if any;
- (d) payments made to the Issuer by the Seller pursuant to the Master Receivables Transfer Agreement during the immediately preceding Collection Period in respect of indemnities or damages for breach of representations or warranties;
- (e) the principal component of the purchase price received by the Issuer in relation to the sale and/or repurchase of any Receivables (other than Defaulted Receivables) made in accordance with the Master Receivables Transfer Agreement during the immediately preceding Collection Period;
- (f) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such date (net of an amount equal to any accrued and unpaid expenses and any expenses falling due after such Payment Date which will be retained in the Expenses Account);
- (g) on the earlier of
  - (i) the Final Maturity Date;
  - (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and

discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and

(iii) the Payment Date following the delivery of a Trigger Notice,

the General Reserve as at each such Payment Date in full, net of the amount (if any) identified under paragraph (d)(ii) of the definition of "*Interest Available Distribution Amounts*".

(h) on the Regulatory Call Early Redemption Date only, the Seller Loan Principal Redemption Amount, which will be applied solely in accordance with item *Fifth* of the Pre-Enforcement Principal Priority of Payments on such Regulatory Call Early Redemption Date; and

(i) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) described under item (a) of the Interest Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Interest Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item.

**Principal Deficiency Ledger** means the principal deficiency ledger comprising the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger and the Class D Principal Deficiency Sub-Ledger maintained by the Calculation Agent on behalf of the Issuer.

**Principal Payment** has the meaning ascribed to such term in Condition 6.6 (*Redemption, Purchase and Cancellation - Calculations and Determinations*), letter (d).

**Priority of Payments** means, as the case may be, the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.

**Private Debtor** means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*).

**Pro-Rata Amortisation Period** means the period starting from (and including) after the end of the Revolving Period (unless a Sequential Redemption Notice has been delivered during the Revolving Period) and ending on (and including) the earlier of (i) the Cancellation Date, (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full, and (iii) the date on which a Sequential Redemption Notice is served on the Issuer.

**Prospectus** means the prospectus prepared by the Issuer in connection with the issue of the Notes.

**Prospectus Regulation** means the EU Prospectus Regulation or the UK Prospectus Regulation (as the case may be).

**Province** means the Italian province where the Debtor is resident or, in the case of a company, has its registered office.

**Purchase Date** means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

**Purchase Price** means the purchase price of each Portfolio, being equal to the aggregate of the Individual Purchase Prices of all the relevant Receivables comprised in the relevant Portfolio.

**Quota** means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

**Quotaholder** means the holder of the Quota, being, as at the Issue Date, SPE Management 2.

**Quotaholder's Agreement** means the quotaholder's agreement entered into on or about the Issue Date

between the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**PRIIPs Regulation** means the EU PRIIPs Regulation or UK PRIIPs Regulation (as the case may be).

**Rated Notes** means, collectively, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**Rating Agencies** means Fitch and DBRS.

**Receivable** means all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with an Auto Loan Contract, including, without limitation:

- (a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan Contract (including those in relation to the Financed Services thereunder);
- (b) all rights and claims in relation to the payment of all interest, including default interest, under such Auto Loan Contract, including those in relation to the Financed Services thereunder, but excluding the amount of interests accrued but unpaid up to the relevant Selection Date (excluded) in respect of such Receivable;
- (c) all the relevant Ancillary Rights; and
- (d) for the avoidance of doubt, with reference to the VFG Balloon Auto Loan Contract, all rights and claims towards the relevant Car Dealer and Car Manufacturer for the payment of the VFG Balloon Instalments upon exercise of the relevant contractual option by the Debtor pursuant to the relevant VFG Balloon Auto Loan Contract.

**Receivables Eligibility Criteria** means the eligibility criteria set out in the Master Receivables Transfer Agreement.

**Recoveries** means all amounts recovered in respect of the Defaulted Receivables (including any proceeds from the disposal of the financed Car(s) and any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies).

**Regulation 13 August 2018** means the resolution issued by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

**Regulatory Call Allocated Principal Amount** means, with respect to any Regulatory Call Early Redemption Date:

- (a) the Principal Available Distribution Amounts (including, for the avoidance of doubt, the amounts set out in item (h) of such definition) available to be applied in accordance with the Pre-Enforcement Principal Priority of Payments on such date; minus
- (b) all amounts of Principal Available Distribution Amounts to be applied pursuant to item *First to Fourth* (inclusive) of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Regulatory Call Early Redemption Date** has the meaning ascribed to such term in Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

**Regulatory Call Event** means:

- (a) an enactment or implementation of, or supplement or amendment to, or change in, any applicable law, policy, rule, guideline or regulation of any competent international, European or national body

(including the European Central Bank, the Prudential Regulation Authority, the Bank of Italy or any other competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline; or

- (b) a notification by or other communication from an applicable regulatory or supervisory authority is received by the Seller with respect to the Securitisation,

which, in either case, occurs on or after the Issue Date and results in, or would in the reasonable opinion of the Seller (and as certified by the Seller to the Issuer and to the Representative of the Noteholders) result in, a material adverse change in the capital treatment of the Notes or the capital relief afforded by the Notes or materially increasing the cost or materially reducing the benefit of the Securitisation, in either case, for the Seller or its affiliates, pursuant to applicable capital adequacy requirements or regulations as compared with the capital treatment or relief reasonably anticipated by the Seller on the Issue Date. It is understood that the declaration of a Regulatory Call Event will not be prevented by the fact that, prior to the Issue Date (i) the event constituting any such Regulatory Call Event was announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the European Central Bank, the Prudential Regulation Authority or the European Union, or incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Issue Date, or expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Call Event or (ii) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than the Securitisation. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the capital treatment of the Notes or the capital relief afforded by the Notes for the Seller or its affiliates or an increase of the cost or reduction of benefits to the Seller or its affiliates of the Securitisation immediately after the Issue Date.

**Regulatory Call Priority of Payments** means the order of priority set out in Condition 4.3 (*Order of Priority - Regulatory Call Priority of Payments*), pursuant to which the Regulatory Call Allocated Principal Amount shall be applied on the Regulatory Call Early Redemption Date.

**Regulatory Redemption Notice** means the notice delivered by the Issuer upon the occurrence of a Regulatory Call Event, in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

**Regulatory Technical Standards** means the regulatory or implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation

**Relevant Minimum Rating** means the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB by Fitch and BB by DBRS.

**Replacement Servicing Costs** means all fees, costs, expenses and taxes due and payable to any Successor Servicer and/or in connection with its appointment (with the exclusion of any income tax or other general tax due in the ordinary course of business).

**Reporting Entity** means the Seller or any other entity acting, from time to time, 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 or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements, the Conditions and the Rules of the Organisation of the Noteholders from time to time, and any of its permitted successors or transferees.

**Repurchase Amount** means, in relation to Receivables (other than the Defaulted Receivables) to be

retransferred by the Issuer to the Seller in the circumstances provided for under the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables (other than the Defaulted Receivables) as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Receivables (other than the Defaulted Receivables).

**Repurchase Determination Date** means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under the Master Receivables Transfer Agreement).

**Repurchase Price** means, in relation to any Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

- (a) for a Performing Receivable, the sum of:
  - (i) its Outstanding Balance, as of the relevant Repurchase Determination Date,
  - (ii) any interest accrued but unpaid as of such Repurchase Determination Date; and
  - (iii) any due but unpaid balance and other ancillary amounts in respect of such Receivable as of such Repurchase Determination Date; and
- (b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

**Repurchase Price Interest Component** means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

**Repurchase Price Principal Component** means, in relation to any Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

- (a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and
- (b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and
- (c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

**Required Replacement Servicer Fee Reserve Amount** means, as of any date of determination:

- (a) prior to the occurrence of an RSF Reserve Funding Trigger Event, zero; and
- (b) following the occurrence of an RSF Reserve Funding Trigger Event, as of any date of determination, an amount equal to the product of (i) 1.0% and (ii) the remaining weighted average life of the Performing Receivables, assuming a 0.0% CPR and a 0.0% CDR, and (iii) the aggregate Outstanding Balance of the Receivables, *provided that* it cannot be lower than Euro 300,000.

**Retail Customer** means a natural person or person or a small or medium-sized enterprise in accordance with Article 123 (a) of the CRR.

**Retention Amount** means (a) with reference to the Issue Date, an amount equal to Euro 2,300,000 and (b) with reference to each Payment Date after the Issue Date, an amount equal to Euro 40,000.

**Revolving Period** means the period from the Issue Date to (but excluding) the earlier of:

- (a) the Scheduled Revolving Period End Date;
- (b) the date on which an Amortisation Event occurs; and
- (c) the date on which a Trigger Event occurs.

**Risk Retention Regulatory Technical Standards** means Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 on supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders, and servicers, as amended and supplemented from time to time.

**RSF Reserve** means the funds standing from time to time to the credit of the RSF Reserve Account.

**RSF Reserve Account** means the account of the RSF Reserve Funder opened with Banco Santander, S.A. and having account number ES16 0049 5494 83 2010450425 as the same may be redesignated, substituted or replaced from time to time.

**RSF Reserve Advance Provider** means SCF.

**RSF Reserve Funding Advances** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Funding Failure** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Funding Trigger Event** means the earliest to occur of:

- (a) SCF ceasing to have a rating of at least BBB by Fitch for its long-term, unsecured, unsubordinated debt obligations; and/or
- (b) SCF ceasing to have a rating of at least BBB by DBRS for its long-term, unsecured, unsubordinated debt obligations, where SCF is not rated by DBRS, a DBRS Equivalent Rating of at least BBB; and/or
- (c) SCF ceasing to control either directly or indirectly the Servicer; and/or
- (d) a Servicer Termination Event.

**RSF Reserve Initial Funding Date** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Shortfall Amount** means an amount equal to the difference between the fees and the costs to be paid and reimbursed to the Successor Servicer upon termination of the appointment of the Servicer pursuant to the Servicing Agreement and the then current Required Replacement Servicer Fee Reserve Amount.

**Rules or Rules of the Organisation of the Noteholders** means the rules of the Organisation of Noteholders set out in Schedule 1 of the Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

**SCF** means Santander Consumer Finance S.A., a credit entity incorporated under the laws of Spain, registered with the Bank of Spain under No. 8236 having its registered offices at Ciudad Grupo Santander, Avda. De Cantabria, s/n, 28660, Boadilla del Monte, Madrid, Spain and with Spanish Tax Identification No. (NIF) A-28122570.

**Scheduled Revolving Period End Date** means the Business Day immediately following the Payment Date falling in December 2024.

**Sec Reg Asset Level Report** means the report required to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Investor Report, through publication on the Securitisation Repository, to the

Issuer, the Arrangers, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent pursuant to the Intercreditor Agreement.

**Sec Reg Investor Report** means the report required to be issued by the Calculation Agent, on behalf of the Seller, as Reporting Entity, on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the Securitisation Repository in the form set out in the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Asset Level Report.

**Sec Reg Report Date** means the date falling within one month following each relevant Payment Date, *provided that* the first Sec Reg Report Date will fall on 30 September 2024.

**Securities Account** means (if and when opened) the account in the name of the Issuer designated as such and held with an account bank that qualifies as an Eligible Institution, and any replacement thereof.

**Securitisation** means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

**Securitisation Assets** has the meaning ascribed to such term in Condition 2.2 (*Status, segregation and ranking - Segregation*).

**Securitisation Law** means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, [www.eurodw.eu](http://www.eurodw.eu)) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified by the Issuer to the investors in the Notes.

**Security** means the security interests created under the Security Document and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Secured Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Secured Creditors.

**Security Interest** means any mortgage, charge, pledge, lien, encumbrance, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

**Security Document** means the Deed of Assignment and any other security document which may be entered into in the context of the Securitisation in accordance with the Conditions.

**Selection Date** means the First Selection Date or any Subsequent Selection Date, as applicable.

**Seller** means SFS Italia.

**Seller Account** means the Euro-denominated account in the name of the Seller designated as such and held, as at the Issue Date, with UniCredit S.p.A., and any replacement thereof;

**Seller Loan** means a loan that, following the occurrence of a Regulatory Call Event, the Seller may elect to advance to the Issuer in accordance with the terms of the Intercreditor Agreement, for an amount equal to the Seller Loan Redemption Amount, to be applied by the Issuer in order to redeem the Class B Notes, the Class C Notes, the Class D Notes and, if applicable, the Class E Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon) in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*), which satisfies the

Seller Loan Conditions.

**Seller Loan Conditions** means the following conditions which shall apply to a Seller Loan:

- (a) the Seller Loan shall be advanced on equivalent economic terms, and to achieve the same economic effect, as the Transaction Documents;
- (b) the Seller Loan does not have a material adverse effect on the Senior Notes; and
- (c) the Seller Loan shall comply in all respects with the applicable requirements under EU Securitisation Regulation and Regulation (EU) 2017/2401.

**Seller Loan Interest Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding any Regulatory Call Early Redemption Date that is equal to the aggregate of the Repurchase Price Interest Component of the Receivables comprised in the Aggregate Portfolio as at such date.

**Seller Loan Principal Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding the Regulatory Call Early Redemption Date that is equal to (i) the Repurchase Price of the Receivables comprised under the Aggregate Portfolio, plus (ii) outstanding amount of the General Reserve; minus (iii) the Principal Amount Outstanding of the Class A Notes after application of item *Fourth* of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Seller Loan Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding the Regulatory Call Early Redemption Date that is equal to (i) the Repurchase Price of the Receivables comprised under the Aggregate Portfolio, plus (ii) outstanding amount of the General Reserve, less (iii) the Principal Amount Outstanding of the Class A Notes after application of item *Fourth* of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Senior Expenses Deficit** means, on any Payment Date, an amount equal to any shortfall in the Interest Available Distribution Amounts available to pay items *First* to *Ninth* (inclusive) of the Pre-Enforcement Interest Priority of Payments.

**Senior Notes** means the Class A Notes and **Senior Note** means any of them.

**Senior Noteholder** means any holder of a Senior Note and **Senior Noteholders** means all of them, collectively.

**Senior Notes and Mezzanine Notes Subscription Agreement** means the subscription agreement relating to the Senior Notes and the Mezzanine Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Seller, the Arrangers and the Joint Lead Managers, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Sequential Redemption Event** means any of the events set out under Condition 6.7 (*Redemption, Purchase and Cancellation - Sequential Redemption Event*).

**Sequential Redemption Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Sequential Redemption Event, in accordance with Condition 6.7 (*Redemption, Purchase and Cancellation - Sequential Redemption Event*).

**Sequential Redemption Period** means, in respect of any Payment Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional*



*redemption for Clean Up Event*), the period starting from (and including) the Payment Date immediately following the delivery of a Sequential Redemption Notice and ending on (and including) the earlier of (i) the Cancellation Date, and (ii) the Payment Date on which the Senior Notes and the Mezzanine Notes will be redeemed in full.

**Servicer Collection Account Bank** means UniCredit.

**Servicer Collection Account** means the new bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of Article 3, paragraph 2-ter of the Securitisation Law.

**Servicer** means SFS Italia or any other person acting as Servicer pursuant to the Servicing Agreement from time to time, and any of its permitted successors or transferees.

**Servicer Postal Account** has the meaning ascribed to such term in the Servicing Agreement.

**Servicer Termination Date** means the earlier of (i) the Cancellation Date and (ii) the date on which the cessation of the appointment of the Servicer has become effective in accordance with the terms of the Servicing Agreement.

**Servicer Termination Event** means each of the events set out in the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment.

**Servicing Agreement** means the servicing agreement entered into on the Execution Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Servicing Fees** means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement.

**Servicing Procedures** means the servicing procedures set out in the Servicing Agreement.

**Settlement Date** means the date falling 1 (one) Business Day before each Payment Date.

**SFS Italia** means Stellantis Financial Services Italia S.p.A., *a società per azioni*, incorporated under the laws of Italy whose registered office is located at Via Plava, 80, 10135, Turin, Italy.

**Société Générale**, a bank incorporated under the laws of the Republic of France as a public limited company (*société anonyme*), having its registered office at 29, Boulevard Haussmann, 75009 Paris, France, enrolment with the companies' register of Paris under no. 552120222.

**Solvency II Amendment Regulation** means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

**SPE Management** means Special Purpose Entity Management 2 S.r.l., a company incorporated under the laws of Italy, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, registration with the Register of Enterprises of Milan – Monza – Brianza - Lodi, Fiscal Code and VAT No. 11068370961.

**Specified Event** means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

- (a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

- (b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

**Standard Auto Loan Contract** means an Auto Loan Contract whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments for each phase of the amortisation plan, *provided that* there will be no more than two phases.

**Statutory Auditor** has the meaning ascribed to such term in the Corporate Services Agreement.

**Stock Exchange** means the Luxembourg Stock Exchange.

**STS** means simple, transparent and standardised within the meaning of Article 18 of the EU Securitisation Regulation.

**STS Assessments** means, collectively, the STS Verification and the CRR Assessment.

**STS Notification** means the notification sent by the Seller in respect of the Securitisation for the inclusion in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation.

**STS-Securitisation** means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the EU Securitisation Regulation.

**STS Verification** means the assessment of the compliance of the Securitisation with the EU STS Requirements, carried out by PCS.

**Subordinated Swap Amounts** other than any termination payment due by the Issuer to the Swap Counterparty under the terms of the Swap Agreement, following the occurrence of a Swap Trigger in relation to the Swap Counterparty.

**Subscription Agreements** means collectively the Senior Notes and Mezzanine Notes Subscription Agreement and the Junior Notes Subscription Agreement and **Subscription Agreement** means each of them.

**Subsequent Purchase Date** means the day falling one Business Day after the Subsequent Selection Date.

**Subsequent Selection Date** means, during the Revolving Period, the day falling no later than 6 (six) Business Days after the Information Date.

**Successor Servicer** has the meaning ascribed to such term in the Servicing Agreement.

**Swap Trigger** means either (i) an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), or (ii) an Additional Termination Event (as defined in the Swap Agreement) which occurs as a result of the failure of the Swap Counterparty to comply with the requirements of a rating downgrade provision of the Swap Agreement.

**Tax** includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

**Traceability Law** has the meaning ascribed to such term in the Servicing Agreement.

**Transaction Documents** means:

- (a) the Master Receivables Transfer Agreement;

- (b) the Transfer Agreements;
- (c) the Servicing Agreement;
- (d) the Cash Allocation, Management and Payment Agreement;
- (e) the Intercreditor Agreement;
- (f) the Corporate Services Agreement;
- (g) the Quotaholder's Agreement;
- (h) the Deed of Assignment;
- (i) the Interest Rate Swap Agreement;
- (j) the Subscription Agreements;
- (k) the Conditions;
- (l) and any other deed, act, document or agreement executed by the Issuer in the context of the Securitisation.

**Transaction Party** means any party to the Transaction Documents.

**Transfer Acceptance** means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of Transfer Acceptance*) of the Master Receivables Transfer Agreement.

**Transfer Agreement** means each transfer agreement entered into between the Seller and the Issuer in connection with the sale of each Portfolio, comprising the relevant Transfer Offer and the relevant Transfer Acceptance, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Transfer Offer** means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in the Master Receivables Transfer Agreement.

**Trigger Event** means any of the events set out under Condition 10.1 (*Trigger Events - Trigger Events*).

**Trigger Notice** means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

**UK Affected Investors** means the CRR firms (as defined by Article 4(1)(2A) of the CRR, as it forms part of UK domestic law by virtue of the EUWA) and their relevant consolidated affiliates, wherever established or located, of such institutional investors.

**UK CRA Regulation** means the EU CRA Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

**UK MiFIR** means the EU MiFIR as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

**UK PRIIPs Regulation** means PRIIPs Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UK Prospectus Regulation** means the EU Prospectus Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UK Securitisation Regulation** means the EU Securitisation Regulation as it forms part of domestic law of the

United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UniCredit** means UniCredit S.p.A., a bank incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Piazza Gae Aulenti No. 3, Tower A, 20154 Milan, Italy, share capital of Euro 21,220,169,840.48, (fully paid-up), registration with the Register of Enterprises of Milan - Monza-Brianza-Lodi, Fiscal Code and VAT No. 00348170101, Parent Company of the UniCredit Banking Group, registered with Code 2008.1 with the Register of the Banking Groups held by the Bank of Italy pursuant to article 64 of the Italian Banking Act.

**Used Car** means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.

**Variable Return** means, in relation to the Junior Notes, on each Payment Date, an amount equal to any Available Distribution Amounts remaining after making all payments due under items from (1) *First to Twenty-fifth* (inclusive) of the Pre-Enforcement Interest Priority of Payments; (2) *First to Tenth* (inclusive) of the Pre-Enforcement Principal Priority of Payments; and (3) *First to Twenty-third* (inclusive) of the Post-Enforcement Priority of Payments, as the case may be.

**VFG Balloon Auto Loan Contract** means a Balloon Auto Loan Contract in respect of which the relevant Debtor has been granted with the option to either (i) pay the Balloon Instalment and retain the Car or (i) return the Car to the Dealer (either buying a new Car or not), whereupon the Balloon Instalment will be due by the Dealer.

**Winding-Up** means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

**Zenith** means Zenith Global S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, fully paid share capital of Euro 2,000,000, fiscal code and enrolment with the Register of Enterprises of Milan - Monza Brianza - Lodi No. 02200990980, belonging to the Arrow Global VAT Group No. 11407600961, enrolled under No. 30 with the register of financial intermediaries ("*Albo Unico*") held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, ABI Code 32590.2.

## **1. FORM, DENOMINATION, TITLE**

### **1.1 Form**

The Notes will be issued in bearer form (*al portatore*) and held in dematerialised form (*in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Euronext Securities Milan for the account of the relevant Euronext Securities Milan Account Holders. Euronext Securities Milan shall act as depository for Clearstream and Euroclear in accordance with Article 83-*bis* of the Italian Financial Act, through the authorised institutions listed in Article 83-*quater* of the Italian Financial Act.

### **1.2 Denomination**

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

### **1.3 Title**

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 provisions of (i) Article 83-*bis* of the Italian Financial Act, and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

### **1.4 Relevant Euronext Securities Milan Account Holder**

The rights arising from the Deed of Assignment are included in each Note. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent shall (to the fullest extent permitted by applicable laws) be entitled to treat the Euronext Securities Milan Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for all purposes (whether or not such Note shall be overdue and notwithstanding any notice to the contrary, any notice of ownership or writing thereon or notice of any previous loss or theft thereof or any interest therein) and shall not be liable for doing so.

#### 1.5 **United States tax law restrictions**

Ownership of the Notes by a United States person may be subject to United States tax law restrictions. Any United States person who holds this obligation will be subject to limitations under United States income tax laws.

## 2. **STATUS, SEGREGATION AND RANKING**

### 2.1 **Status**

The Notes will constitute direct and limited recourse obligations of the Issuer. Payments of interest, principal and any other amounts under the Notes will be funded solely from the Collections, the Recoveries and other proceeds under or in respect of the Aggregate Portfolio and the other Securitisation Assets.

The Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

### 2.2 **Segregation**

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 Aggregate Portfolio, the Collections, the Recoveries, the Eligible Investments and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation (collectively, the **Securitisation Assets**) are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor.

### 2.3 **Ranking**

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Interest Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Class E Notes and the Class Z Notes, in each case, according to the following ranking:

- (a) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (b) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (c) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst

themselves and in priority to the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;

- (d) the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and Class C Notes;
- (e) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes; and
- (f) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Principal Available Distribution Amounts to fund its obligation to repay the principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and pay the Variable Return (if any) on the Class Z Notes, in each case, according to the following ranking:

- (a) during the Pro-Rata Amortisation Period:
  - (i) the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of the Class Z Notes; and
  - (ii) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- (b) during the Sequential Redemption Period:
  - (i) the principal of the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class B Notes, the Class C Notes, the Class D Notes and the Variable Return of Class Z Notes;
  - (ii) the principal of the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class C Notes, the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes;
  - (iii) the principal of the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the principal of the Class D Notes and the Variable Return of the Class Z Notes, but subordinated to the principal of the Class A Notes and the Class B Notes;
  - (iv) the principal of the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Variable Return of Class Z Notes, but subordinated to the principal of the Class A Notes, the Class B Notes and the Class C Notes; and
  - (v) the Variable Return of the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Following the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Issuer will use the Available Distribution Amounts to fund its obligation to pay the interest on the Notes, the Variable Return (if any) on the Class Z Notes and to repay the principal on the Notes, in each case, according to the following ranking:

- (a) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes;
- (b) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes;
- (c) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class D Notes, the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes and the Class B Notes;
- (d) the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class E Notes and the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes;
- (e) the Class E Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class Z Notes, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; and
- (f) the Class Z Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The rights of the Noteholders in respect of the priority of payment of interest and principal and their ranking are set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement. Payments in respect of the Notes are in any event subordinated to certain prior ranking amounts due from the Issuer as set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement.

## 2.4 Subordination

The rights, claims and remedies of the Noteholders of each Class and of each Other Issuer Secured Creditor in respect of the obligations owed by the Issuer to the Noteholders of such Class and each such Other Issuer Secured Creditor, as the case may be, in respect of the Aggregate Portfolio and other Securitisation Assets shall at all times (whether before or after the service of a Trigger Notice) be subordinated to the rights, claims and remedies of all the Noteholders, all Other Issuer Secured Creditors and all Connected Third Party Creditors whose rights, claims and remedies in respect of (i) the obligations owed by the Issuer to such creditor(s) and/or (ii) the Aggregate Portfolio and/or (iii) the other Securitisation Assets rank by operation of law or are expressed pursuant to these Conditions or the Intercreditor Agreement to rank in priority to the rights, claims and remedies of the Noteholders of such Class and/or of such Other Issuer Secured Creditor, as the case may be. Furthermore, each Noteholder and each Other Issuer Secured Creditor agrees and acknowledges that until all sums required by these Conditions and the terms of the Intercreditor Agreement to be paid in priority thereto have been paid or discharged in full (and then if and only to the extent that the Issuer shall have funds available to pay such amounts and shall be permitted to pay such amounts in accordance with these Conditions and the terms of the Intercreditor Agreement together with all other amounts payable *pari passu* therewith), no amount payable by the Issuer to any Noteholder or any Other Issuer Secured

Creditor under these Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it.

### 3. COVENANTS

#### 3.1 Covenants by the Issuer

Subject to the provisions below, for so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in these Conditions or in any of the other Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholder's meetings to be convened in order to:

(a) *Negative pledge and non-disposal*

create or permit to subsist any Security Interest of any kind (unless arising by operation of law or save for any security interest created under any Security Document or in connection with the Previous Securitisation or any Further Securitisation and to the extent that such security interest is created over assets which form part of the segregated assets of the Previous Securitisation or any Further Securitisation) over any of its property, assets or undertakings, present or future, the Aggregate Portfolio, or the other Securitisation Assets or sell, lend, or otherwise dispose of all or any part of its property, assets or undertakings, present or future, the Aggregate Portfolio, or the other Securitisation Assets;

(b) *Use of property*

without prejudice to Condition 3.2 (*Covenants – Further Securitisation*) below, use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property, assets or undertakings, present or future, the Aggregate Portfolio, or the other Securitisation Assets or any interest, right or benefit in respect of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;

(c) *Restrictions on activities*

(i) without prejudice to Condition 3.2 (*Covenants – Further Securitisation*) below, engage in any activity whatsoever which is not incidental to or necessary in connection with the Previous Securitisation, any Further Securitisation or any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto, or enter into any agreement or document, including any derivative contracts;

(ii) have any subsidiary or affiliate (*società controlled* or *società collegata* within the meaning of Article 2359 of the Italian Civil Code), participations in other companies or subsidiary undertakings of any other nature or have any employees or premises; or

(iii) at any time approve or agree or consent to any act or thing whatsoever which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Notes or the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Transaction Documents;

(d) *Dividends and distributions*

pay any dividend or make any other distribution or repayment to its quotaholders, issue any further shares or otherwise increase its share capital other than when so required by applicable law;



(e) *Borrowings*

without prejudice to Condition 3.2 (*Covenants – Further Securitisation*) below, create, incur or permit to subsist any indebtedness whatsoever in respect of borrowed money whatsoever (save for any indebtedness to be incurred in relation to the Securitisation, the Previous Securitisation or any Further Securitisation) or give any guarantee or indemnity or become obliged in respect of indebtedness or of any obligation of any person;

(f) *Merger*

amalgamate, consolidate or merge with any other person or convey or transfer its properties or assets substantially or in their entirety to any other person;

(g) *No variation or waiver*

permit any of the Transaction Documents to which it is a party to become invalid or *ineffective* or the priority of the Note Security created thereby to be reduced, amended, terminated or discharged;

(h) *Bank accounts*

with the exception of the account where the quota capital of the Issuer has been deposited, the bank accounts of the Previous Securitisation and such other accounts that the Issuer may open in the future in the context of any Further Securitisation, have an interest in any bank account other than the Issuer Accounts, unless that account or interest is charged by way of security on terms acceptable to the Representative of the Noteholders (or the Representative of the Noteholders has waived such requirement);

(i) *Statutory documents*

amend, supplement or otherwise modify its deed of incorporation (*atto costitutivo*) and/or by-laws (*statuto*) other than when so required by applicable law or by any regulatory authority having jurisdiction over it;

(j) *Separateness*

permit or consent to any of the following occurring:

- (i) its books and records relating to the Securitisation being maintained with or co-mingled with those of any other person or entity;
- (ii) its bank accounts relating to the Securitisation and the debts represented thereby being co-mingled with those of any other person or entity;
- (iii) its assets or revenues relating to the Securitisation being co-mingled with those of any other person or entity; or
- (iv) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (1) separate financial statements in relation to its financial affairs and the Securitisation are maintained;
- (2) all corporate formalities with respect to its affairs are observed in compliance with the Securitisation Law;

- (3) separate stationery, invoices and cheques are used in respect of the Securitisation;
  - (4) it always holds itself out as a separate entity and constantly ensure distinction and separateness between the Securitisation and its other financial affairs; and
  - (5) any known misunderstandings regarding its separate identity and the distinction between the Securitisation and its other financial affairs are corrected as soon as possible;
- (k) *Compliance with applicable law*
- cease to comply with any applicable law or any necessary corporate formality;
- (l) *Residency and centre of main interests*
- become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interests in Italy;

### 3.2 Further securitisations

nothing in Conditions or the other Transaction Documents shall prevent or restrict the Issuer from:

- (a) acquiring or financing, pursuant to Article 7 of the Securitisation Law, by way of separate transactions unrelated to the Securitisation, further portfolios of monetary claims in addition to the Receivables either from the Seller or from any other entity (the **Further Portfolios**) or entering into one or more bridge loans for the purposes of purchasing Further Portfolios;
- (b) securitising such Further Portfolios (each, a **Further Securitisation**) through the issue of further debt securities additional to the Notes (the **Further Notes**); and
- (c) entering into agreements and transactions, with the Seller or any other entity, that are incidental to or necessary in connection with such Further Securitisation, including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the **Further Security**),

*provided that:*

- (a) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Receivables or any of the other rights of the Issuer under the Transaction Documents;
- (b) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer limited to some or all of the assets comprised in such Further Security;
- (c) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects

- equivalent to those contained in the Intercreditor Agreement;
- (d) the Rating Agencies are notified thereof;
  - (e) the Issuer confirms in writing to the Representative of the Noteholders that the actions provided for by paragraph (d) above have been performed and that the terms and conditions of such Further Notes will include:
    - (i) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (a) to (d) above; and
    - (ii) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision;
  - (f) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not jeopardise the STS status of the Securitisation also on the basis of a legal opinion issued by a law firm selected by the Servicer; and
  - (g) the Representative of the Noteholders is satisfied that conditions (a) to (f) of this provision have been satisfied.

In confirming that conditions (a) to (f) of this provision have been satisfied, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the holders of the Notes and may rely on any written confirmation from the Issuer as to the matters contained therein.

Nothing in this Condition 3 shall prevent or restrict the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it or order of any competent authority.

#### **4. ORDER OF PRIORITY**

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

Prior to the service of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Interest Available Distribution Amounts, as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date (including, for the avoidance of doubt, on the Regulatory Call Early Redemption Date) in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *First, pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, to the extent that such costs, taxes and expenses have not been paid through the amounts standing to the credit of the Expenses Account during the immediately preceding Interest Period and (ii) all costs and taxes required to be paid to maintain the rating of the Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

- (b) *Second*, in or towards transfer into the Expenses Account of the amount (if any) necessary to bring the balance of such Account up to (but not exceeding) the Retention Amount;
- (c) *Third*, in or towards satisfaction of payment of the fees, expenses and all other amounts due and payable to the Representative of the Noteholders;
- (d) *Fourth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of:
  - (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer and the Back-Up Servicer Facilitator and any Other Issuer Secured Creditor (other than any amount provided by other items of this Pre-Enforcement Interest Priority of Payments); and
  - (ii) should a Successor Servicer be appointed, to pay all fees, costs, expenses and taxes due and payable to such Successor Servicer and/or in connection with its appointment, with the exclusion of any income tax or other general tax due in the ordinary course of business (collectively, the **Replacement Servicing Costs**), in each case solely to the extent that the funds standing to the credit of the RSF Reserve Account are insufficient to settle such Replacement Servicing Costs;
- (e) *Fifth*, to pay all amounts (if any) due and payable to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
- (f) *Sixth, pari passu and pro rata*, in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;
- (g) *Seventh, pari passu and pro rata*, to the extent that (i) the Class B Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class B Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent. of the Principal Amount Outstanding of the Class B Notes, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;
- (h) *Eighth, pari passu and pro rata*, to the extent that (i) the Class C Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class C Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent. of the Principal Amount Outstanding of the Class C Notes, in or towards satisfaction of the Class C Notes Interest Amounts due and payable on such Payment Date;
- (i) *Ninth, pari passu and pro rata*, to the extent that (i) the Class D Notes are the Most Senior Class of Notes or (ii) the amount in debit on the Class D Principal Deficiency Sub-Ledger on the previous Payment Date (after making all payments due on that date) is less than 10 per cent of the Principal Amount Outstanding of the Class D Notes, in or towards satisfaction of the Class D Notes Interest Amounts due and payable on such Payment Date;
- (j) *Tenth*, in or towards payment into the General Reserve Account of an amount equal to the General Reserve Replenishment Amount;
- (k) *Eleventh*, in or towards reduction, in sequential order, of the debit balance of the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger and the Class D Principal Deficiency Sub-Ledger, in

each case, in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Principal Available Distribution Amounts);

- (l) *Twelfth, pari passu and pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item *Seventh* above);
- (m) *Thirteenth, pari passu and pro rata*, in or towards satisfaction of the Class C Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item *Eighth* above);
- (n) *Fourteenth, pari passu and pro rata*, in or towards satisfaction of the Class D Notes Interest Amounts due and payable on such Payment Date (to the extent not paid under item *Ninth* above);
- (o) *Fifteenth, pari passu and pro rata*, in or towards satisfaction of the Class E Notes Interest Amounts due and payable on such Payment Date;
- (p) *Sixteenth, pari passu and pro rata*, in or towards repayment of the Class E Notes Target Amortisation Amount until the Class E Notes are redeemed in full;
- (q) *Seventeenth, to pay, pari passu and pro rata*, any Subordinated Swap Amounts due and payable to the Interest Rate Swap Provider;
- (r) *Eighteenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement;
- (s) *Nineteenth, to pay* all amounts of interest due and payable to the Seller under the Seller Loan (if any);
- (t) *Twentieth, to pay* the Servicing Fees due and payable to SFS as Servicer;
- (u) *Twenty-first, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Pre-Enforcement Interest Priority of Payments);
- (v) *Twenty-second, if a RSF Reserve Funding Failure has occurred and it has not been remedied prior to such Payment Date, to credit* the RSF Reserve Account with the amount necessary to bring the balance of such account up to (but not exceeding) the Required Replacement Servicer Fee Reserve Amount;
- (w) *Twenty-third, to pay* any interest due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (x) *Twenty-fourth, to pay* any principal due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (y) *Twenty-fifth, pari passu and pro rata*, in or towards repayment, of the Principal Amount Outstanding of the Class Z Notes until such Class Z Notes are redeemed in full (on each Payment Date other than the Cancellation Date, up to an amount that makes the aggregate Principal Amount Outstanding of all the Class Z Notes not lower than Euro 1,000); and

- (z) *Twenty-sixth, pari passu and pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

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

Prior to the service of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Principal Available Distribution Amounts (other than the amounts set out in item (h) of such definition, which will form part of the Principal Available Distribution Amounts solely for the purposes of, and shall be applied only in accordance with, item *Fifth* of this Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date), as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date (including, for the avoidance of doubt, on the Regulatory Call Early Redemption Date) in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *First*, in or towards application of any Principal Addition Amounts to meet any Senior Expenses Deficit;
- (b) *Second*, if a Monthly Servicing Report Delivery Failure Event has occurred and is not remedied within 3 (three) Business Days from the Information Date (or such longer period as may be agreed between the Servicer and the Calculation Agent), in or towards payment or retention, as the case may be, of all the Principal Available Distribution Amounts into the Collection Account;
- (c) *Third*, during the Revolving Period:
  - (i) in or towards payment to the Seller of the amount due as Purchase Price in respect of any Additional Portfolio purchased under the Master Receivables Transfer Agreement; and
  - (ii) thereafter, in or towards payment or retention, as the case may be, of all remaining Principal Available Distribution Amounts into the Collection Account;
- (d) *Fourth*:
  - (i) during the Pro-Rata Amortisation Period, in or towards repayment, *pari passu* and *pro rata* according to the respective amounts thereof, of (i) any amount to be paid as principal on the Class A Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class A Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (ii) any amount to be paid as principal on the Class B Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class B Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iii) any amount to be paid as principal on the Class C Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class C Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iv) any amount to be paid as principal on the Class D Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class D Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); and (v) any amount to be paid

as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date, until all such Class A Notes, Class B Notes, Class C Notes and Class D Notes are redeemed in full and any amount to be paid as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date has been paid in full; or

- (ii) during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata* according to the respective amounts thereof, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are redeemed in full;
- (e) *Fifth*, on the Regulatory Call Early Redemption Date, to pay any amounts comprising the Regulatory Call Allocated Principal Amount in accordance with the Regulatory Call Priority of Payments;
- (f) *Sixth*, during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are redeemed in full;
- (g) *Seventh*, during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are redeemed in full;
- (h) *Eighth*, during the Sequential Redemption Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class D Notes until the Class D Notes are redeemed in full;
- (i) *Ninth*, during the Sequential Redemption Period, in or towards repayment, of any amount to be paid as principal to the Seller under the Seller Loan;
- (j) *Tenth*, during the Amortisation Period, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement, to the extent not paid under item *Eighteenth* of the Pre-Enforcement Interest Priority of Payments; and
- (k) *Eleventh*, *pari passu* and *pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

#### 4.3 Regulatory Call Priority of Payments

On the Regulatory Call Early Redemption Date, the Regulatory Call Allocated Principal Amount will be applied by or on behalf of the Issuer in making payment or provision in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority below have been made in full:

- (a) *First*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are redeemed in full;
- (b) *Second*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are redeemed in full;
- (c) *Third*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class D Notes until the Class D Notes are redeemed in full; and
- (d) *Fourth*, *pari passu* and *pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class E Notes until the Class E Notes are redeemed in full,

subject to and in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

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

On each Payment Date following the delivery of a Trigger Notice or in case of redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the Available Distribution Amounts, as calculated on each Calculation Date, will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (a) *First, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, to the extent that such costs, taxes and expenses have not been met by utilising the amounts standing to the credit of the Expenses Account during the immediately preceding Interest Period, (ii) all costs and taxes required to be paid to maintain the listing of the Senior Notes and the Mezzanine Notes and the rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;
- (b) *Second*, in or towards transfer into the Expenses Account of the amount (if any) necessary to bring the balance of such Account up to (but not exceeding) the Retention Amount;
- (c) *Third*, in or towards satisfaction of the fees, expenses and all other amounts due to the Representative of the Noteholders;
- (d) *Fourth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction:
  - (i) of the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer, the Back-Up Servicer Facilitator and any Other Issuer Secured Creditor (other than any amount provided by other items of this Post-Enforcement Priority of Payments); and
  - (ii) should a Successor Servicer be appointed, to pay the Replacement Servicing Costs, in each case solely to the extent that the funds standing to the credit of the RSF Reserve Account are insufficient to settle such Replacement Servicing Costs;
- (e) *Fifth*, to pay, *pari passu and pro rata* according to the respective amounts thereof, all amounts (if any) due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including termination payments but excluding any Subordinated Swap Amounts);
- (f) *Sixth, pari passu and pro rata*, in or towards satisfaction of all Class A Notes Interest Amounts due and payable on such Payment Date;
- (g) *Seventh, pari passu and pro rata*, in or towards redemption in full of the Class A Notes;
- (h) *Eighth, pari passu and pro rata*, in or towards satisfaction of all Class B Notes Interest Amounts due and payable on such Payment Date;
- (i) *Ninth, pari passu and pro rata*, in or towards redemption in full of the Class B Notes;



- (j) *Tenth, pari passu and pro rata*, in or towards satisfaction of all Class C Notes Interest Amounts due and payable on such Payment Date;
- (k) *Eleventh, pari passu and pro rata*, in or towards redemption in full of the Class C Notes;
- (l) *Twelfth, pari passu and pro rata*, in or towards satisfaction of all Class D Notes Interest Amounts due and payable on such Payment Date;
- (m) *Thirteenth, pari passu and pro rata*, in or towards redemption in full of the Class D Notes;
- (n) *Fourteenth, pari passu and pro rata*, in or towards satisfaction of all Class E Notes Interest Amounts due and payable on such Payment Date;
- (o) *Fifteenth, pari passu and pro rata*, in or towards redemption in full of the Class E Notes;
- (p) *Sixteenth, to pay, pari passu and pro rata* according to the respective amounts thereof, any Subordinated Swap Amounts due and payable to the Interest Rate Swap Provider;
- (q) *Seventeenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of all amounts due and payable to the Arrangers and the Joint Lead Managers under the terms of the Senior Notes and Mezzanine Notes Subscription Agreement;
- (r) *Eighteenth, to pay the Servicing Fees* due and payable to SFS as Servicer;
- (s) *Nineteenth, pari passu and pro rata* according to the respective amounts thereof, in or towards satisfaction of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Secured Creditor incurred in the course of the Issuer's business in relation to the Securitisation (other than amounts already provided for in this Post-Enforcement Priority of Payments);
- (t) *Twentieth, if a RSF Reserve Funding Failure* has occurred and it has not been remedied prior to such Payment Date, to credit the RSF Reserve Account with the amount necessary to bring the balance of such account up to (but not exceeding) the Required Replacement Servicer Fee Reserve Amount;
- (u) *Twenty-first, to pay any interest* due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (v) *Twenty-second, to pay any principal* due and payable to the RSF Reserve Advance Provider pursuant to the terms of the Intercreditor Agreement;
- (w) *Twenty-third, pari passu and pro rata*, in or towards repayment of the Principal Amount Outstanding of the Class Z Notes until the Class Z Notes are redeemed in full; and
- (x) *Twenty-fourth, pari passu and pro rata*, in or towards satisfaction of the Variable Return (if any) on the Class Z Notes.

#### 4.5 **Payments to Connected Third Party Creditors**

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay or provide for the amounts under item *First* of the Pre-Enforcement Interest Priority of Payments or item *First* of the Post-Enforcement Priority of Payments (as the case may be), *provided that*, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses

Account (or procure that the same are applied) to pay any such known expenses not yet paid and any expenses falling due after such Payment Date.

#### 4.6 Deferral under the applicable Priority of Payments

Without prejudice to the provisions contained in these Conditions relating to payments in respect of the Notes (including Condition 5.8 (*Right to Interest – Interest Deferral*) and Condition 10 (*Trigger Events*)), in the event and to the extent that the aggregate funds available to the Issuer in accordance with the provisions of the applicable Priority of Payments are insufficient to pay any amount due and payable on any Payment Date in accordance with such Priority of Payments, such shortfall will not be payable on that Payment Date but will be deferred and become payable on the succeeding Payment Dates if and to the extent that the aggregate funds then available to the Issuer in accordance with the applicable Priority of Payments are sufficient to pay such amount. No interest will be payable on any amount so deferred.

### 5. RIGHT TO INTEREST

#### 5.1 Right to interest, Payment Dates and Interest Periods

- (a) Each Senior Note and Mezzanine Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the relevant Interest Rate (as defined below). Subject as provided in Condition 5.8 (*Right to Interest – Interest Deferral*), interest in respect of each Senior Note and Mezzanine Note shall fall due and be payable in Euro in arrear on each Payment Date in an amount equal to the Interest Amount (as defined in Condition 5.4 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*)), subject to the applicable Priority of Payments. Interest start to accrue in respect of the Notes from the Issue Date (included).
- (b) 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.
- (c) Interest shall only cease to accrue on any part of the Principal Amount Outstanding of any of the Senior Notes and the Mezzanine Notes of each Class from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon, subject only to Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) interest shall continue to accrue on such principal (after as well as before judgment) at the rate from time to time applicable to the Senior Notes or Mezzanine Notes of the relevant Class until whichever is the earlier of (i) the date on which all amounts due in respect of such Senior Notes or Mezzanine Notes up to that date are received by or on behalf of the relevant Noteholders and (ii) the Cancellation Date.

#### 5.2 Interest Rate and Variable Return

- (a) The interest rate applicable to the Senior Notes and the Mezzanine Notes shall be determined by the Paying Agent on the 2nd (second) Business Day immediately preceding the beginning of the relevant Interest Period (the Interest Determination Date).
- (b) The interest rate applicable from time to time to each of the Senior Notes and the Mezzanine Notes (the **Interest Rate**) for each Interest Period shall be:
  - (i) in respect of the Class A Notes, a floating rate equal to EURIBOR (as determined in accordance with these Conditions), plus a margin of 0.73 per cent. per annum, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class A Notes Interest Rate**);
  - (ii) in respect of the Class B Notes, a floating rate equal to EURIBOR (as determined in

accordance with these Conditions), plus a margin of 1.20 per cent. per annum, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class B Notes Interest Rate**);

- (iii) in respect of the Class C Notes, a floating rate equal to EURIBOR (as determined in accordance with these Conditions), plus a margin of 1.70 per cent. per annum, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class C Notes Interest Rate**);
- (iv) in respect of the Class D Notes, a floating rate equal to EURIBOR (as determined in accordance with these Conditions), plus a margin of 2.30 per cent. *per annum*, *provided that*, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class D Notes Interest Rate**); and
- (v) in respect of the Class E Notes, a floating rate equal to EURIBOR (as determined in accordance with these Conditions), plus a margin of 4.50 per cent. per annum, provided that, if such rate of interest falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero) (the **Class E Notes Interest Rate**).

For the purposes of this Condition 5.2, EURIBOR means the Euro-Zone inter-bank offered rate for one month Euro deposits which appears on:

- (i) EUR001M index in the Reuters page and BTMMEU in the Bloomberg page (except in respect of the Initial Interest Period where it shall be the rate per annum obtained by linear interpolation of the Euro-Zone interbank offered rate for 1 (one) and 3 (three) month deposits in Euro (rounded to four decimal places with the mid-point rounded up) which appear on EUR001M and EUR003M in the menu BTMMEU); or
- (ii) such other page as may replace the relevant Bloomberg Page on that service for the purpose of displaying such information; or
- (iii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the relevant Bloomberg Page, at or about 11.00 a.m. (Brussels time) on the Interest Determination Date (the **Screen Rate** or, in the case of the Initial Interest Period, the **Additional Screen Rate**),

*provided that*, if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period (the **Reference Rate**) shall be determined in accordance with Condition 5.3 (*Fallback provisions*) below.

- (c) The Class Z Notes will accrue and be entitled to the payment of, for each Interest Period, the Variable Return (if any), both prior to and following the service of a Trigger Notice.

The Variable Return (if any) will be payable on the Class Z Notes in Euro in arrear on each Payment Date, subject to the applicable Priority of Payments.

### 5.3 Fallback provisions

- (a) Notwithstanding anything to the contrary, including Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*) above, the following provisions will apply if the Issuer (acting on the advice of the Servicer) determines that any of the following events (each a **Base Rate Modification Event**) has occurred:
  - (i) a material disruption to EURIBOR, an adverse change in the methodology of

- calculating EURIBOR or EURIBOR ceasing to exist or to be published;
- (ii) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
  - (iii) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR or will be changed in an adverse manner);
  - (iv) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (v) a public statement by the supervisor of the EURIBOR administrator which means that EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences;
  - (vi) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Notes; or
  - (vii) the reasonable expectation of the Issuer (acting on the advice of the Servicer) that any of the events specified in sub-paragraphs (i), (ii), (iii), (iv), (v) or (vi) will occur or exist within six months of the proposed effective date of such Base Rate Modification.
- (b) Following the occurrence of a Base Rate Modification Event, the Issuer (acting on the advice of the Servicer) will inform the Seller, the Representative of the Noteholders and the Interest Rate Swap Provider of the same and will appoint a rate determination agent to carry out the tasks referred to in this Condition 5.3 (the Rate Determination Agent).
- (c) The Rate Determination Agent shall determine an alternative base rate (the Alternative Base Rate) to be substituted for EURIBOR as the Reference Rate of the Senior Notes and the Mezzanine Notes and those amendments to these Conditions and the Transaction Documents (except for the Interest Rate Swap Agreement, whose amendment will depend on good faith negotiation between the Issuer and the Interest Rate Swap Provider) to be made by the Issuer as are necessary or advisable to facilitate such change (the **Base Rate Modification**), *provided that* no such Base Rate Modification will be made unless the Rate Determination Agent has determined and confirmed to the Representative of the Noteholders in writing that:
- (i) such Base Rate Modification is being undertaken due to the occurrence of a Base Rate Modification Event and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and
  - (ii) such Alternative Base Rate is:
    - (1) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Senior Notes and the Mezzanine Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing);
    - (2) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
    - (3) a base rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is Santander Consumer Bank or an affiliate of Santander Consumer Bank; or

- (4) such other base rate as the Rate Determination Agent reasonably determines (and in relation to which the Rate Determination Agent has provided reasonable justification of its determination to the Issuer and the Representative of the Noteholders),

*provided that*, for the avoidance of doubt (I) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Noteholders; and (II) for the avoidance of doubt, the Servicer may propose an Alternative Base Rate on more than one occasion *provided that* the conditions set out in this paragraph (c) are satisfied.

- (d) It is a condition to any such Base Rate Modification that:
- (i) any amendment or modification to the Interest Rate Swap Agreement to align the Reference Rates applicable under the Notes and the Interest Rate Swap Agreement will take effect at the same time as the Base Rate Modification takes effect;
  - (ii) the Seller pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer, the Representative of the Noteholder and the Servicer and each other applicable party including, without limitation, any of the agents to the Issuer, in connection with such modifications. For the avoidance of doubt, such costs shall not include any amount in respect of any reduction in the interest payable to a Noteholder or any change in the amount due to the Interest Rate Swap Provider or any change in the mark-to-market value of the Interest Rate Swap Agreement;
  - (iii) with respect to each Rating Agency, the Servicer has notified such Rating Agency of the proposed modification and, in the Servicer's reasonable opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency or (y) such Rating Agency placing the Rated Notes on rating watch negative (or equivalent); and
  - (iv) the Issuer (or the Servicer on its behalf) provides at least 30 (thirty) days' prior written notice to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders of the proposed Base Rate Modification. If the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of paragraph (c) above and if the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing.
- (e) When implementing any modification pursuant to this Condition 5.3, the Rate Determination Agent, the Issuer and the Servicer, as applicable, shall act in good faith and (in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*)), shall have no responsibility whatsoever to the Issuer, the Noteholders or any other party.
- (f) If a Base Rate Modification is not made as a result of the application of paragraph (c) above, and for so long as the Issuer (acting on the advice of the Servicer) considers that a Base Rate Modification Event is continuing, the Servicer may or, upon request of the Seller, must, initiate the procedure for a Base Rate Modification as set out in this Condition 5.3.

- (g) Any modification pursuant to this Condition 5.3 must comply with the rules of any stock exchange on which the Notes are from time to time listed or admitted to trading and may be made on more than one occasion.
- (h) As long as a Base Rate Modification is not deemed final and binding in accordance with this Condition 5.3, the Reference Rate applicable to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be equal to the last Reference Rate available on the relevant applicable screen rate pursuant to paragraph (a) above.
- (i) Regarding any benchmark amendments, any benchmark discontinuation, any adjustment spread and any other changes to the interest calculation provisions, the Paying Agent would need to be notified at least ten Business Days prior to the first applicable Calculation Date.
- (j) The Agents under the Cash Allocation, Management and Payment Agreement are not obliged to concur with the Issuer in respect of any conforming changes or amendments required as a result of a benchmark replacement, to which, in the sole opinion of such Agents, would impose more onerous obligations upon them or expose them to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to such Agents in the Cash Allocation, Management and Payment Agreement.
- (k) This Condition 5.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

#### 5.4 **Calculation of Interest Amount and Aggregate Interest Amount**

- (a) On each Interest Determination Date, the Paying Agent shall calculate (i) the EURIBOR; and (ii) the amount of interest in Euro payable on each Note of each Class of Senior Notes and Mezzanine Notes (the Interest Amount) and on the aggregate number of Notes of each Class of Senior Notes and Mezzanine Notes (the Aggregate Interest Amount) in respect of each relevant Interest Period.
- (b) The Interest Amount payable on each such Note of each Class of Senior Notes and Mezzanine Notes in respect of any Interest Period shall be calculated by (A) applying the applicable Interest Rate to the Principal Amount Outstanding of that Note of each Class of Senior Notes and Mezzanine Notes on the relevant Payment Date (or, in the case of the First Interest Period, the Issue Date) at the commencement of such Interest Period (after deducting therefrom the payments which have been made on that Payment Date); (B) multiplying the product of such calculation by the actual number of days in the relevant Interest Period; (C) dividing that amount by 360; and (D) rounding the resulting amount downward to the nearest cent. The Aggregate Interest Amount shall be calculated by multiplying the Interest Amount of each Note of each such Class of Senior Notes and Mezzanine Notes by the actual number of Notes of that Class of Senior Notes and Mezzanine Notes.
- (c) The calculation of Interest Amount and the Aggregate Interest Amount made by the Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

#### 5.5 **Notification of Interest Amount and Payment Date**

- (a) The Paying Agent will cause (A) the Interest Amount, (B) the Aggregate Interest Amount and (C) the relevant Payment Date to be notified, on each Interest Determination Date, to the Issuer, the Representative of the Noteholders, the Calculation Agent and the Cash Manager, and, for so long as the Notes are held through Euronext Securities Milan and the Senior Notes and the Mezzanine Notes are listed on the Stock Exchange, the Paying Agent will cause (i) the Interest Amount and the Aggregate Interest Amount in respect of the Notes and (B) the relevant Payment Date to be published in accordance with Condition 14 (*Notices*).

- (b) The Interest Amount, the Aggregate Interest Amount and the Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or in the event of manifest error.
- (c) If the Notes become due and payable under Condition 10 (*Trigger Events*), the Interest Amount and the Aggregate Interest Amount shall nevertheless continue to be calculated as previously by the Paying Agent in accordance with this Condition 5, but no notification of the Interest Amount and the Aggregate Interest Amount so calculated need be made to Euronext Securities Milan, unless the Representative of the Noteholders otherwise require.

#### 5.6 **Determination or calculation by Representative of the Noteholders**

- (a) If the Paying Agent does not at any time for any reason determine the Interest Amount and/or the Aggregate Interest Amount for one or more Classes of Senior Notes and Mezzanine Notes in accordance with the foregoing provisions of this Condition 5, the Representative of the Noteholders (also through delegates appointed by it) shall determine the Interest Amount and/or the Aggregate Interest Amount for the relevant Class of Senior Notes and Mezzanine Notes in the manner specified in Condition 5.4 (*Right to Interest – Calculation of Interest Amount and Aggregate Interest Amount*) and notify, as required, the amounts specified in accordance with Condition 5.5 (*Right to Interest – Notification of Interest Amount and Payment Date*).
- (b) Any such determination and/or calculation and/or notification shall be deemed to have been made by the Paying Agent.

The Representative of the Noteholders will not be responsible for the calculations and determinations made pursuant to this Condition 5.6, save in cause of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

#### 5.7 **Paying Agent**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may resign in accordance with the provisions of the Cash Allocation, Management and Payment Agreement. The Issuer shall be obliged to appoint a relevant replacement prior to such resignation becoming effective. The appointment of any replacement shall be subject to the prior approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents). The Issuer shall procure that any change in the identity of the Paying Agent will be published as soon as reasonably practicable in accordance with Condition 14 (*Notices*).

#### 5.8 **Interest Deferral**

- (a) Payments of interest on the Mezzanine Notes (other than the Most Senior Class of Notes) will be subject to deferral to the extent that on any Payment Date there will be insufficient funds available to make such interest's payment on any of the Mezzanine Notes (other than the Most Senior Class of Notes) in accordance with the applicable Priority of Payments. In such case, the relevant unpaid interest in respect of the Mezzanine Notes shall be aggregated with the amount of interest due on each such Notes payable on the immediately succeeding Payment Date. No interest will be payable on any amount so deferred. Payments of interest on the Most Senior Class of Notes will not be subject to deferral, as described above, and any failure to pay the relevant interest amount will constitute a Trigger Event pursuant to Condition 10 (*Trigger Events*).
- (b) To the extent that (i) the Class B Notes are not the Most Senior Class of Notes and (ii) the amount debited on the Class B Principal Deficiency Sub-Ledger is equal to or higher than 10 per cent. of the Principal Amount Outstanding of the Class B Notes on the previous Payment

Date (after making all payments due on that date), interest on the Class B Notes will not then fall due under item Seventh of the Pre-Enforcement Interest Priority of Payments, but will instead be paid under item Twelfth of the Pre-Enforcement Interest Priority of Payments. Any amounts so subordinated may be deferred to the extent the Interest Available Distribution Amounts applied in accordance with the Pre-Enforcement Interest Priority of Payments are not sufficient to pay in full the relevant interest amount which would otherwise be due on the Class B Notes.

- (c) To the extent that (i) the Class C Notes are not the Most Senior Class of Notes and (ii) the amount debited on the Class C Principal Deficiency Sub-Ledger is equal to or higher than 10 per cent. of the Principal Amount Outstanding of the Class C Notes on the previous Payment Date (after making all payments due on that date), interest on the Class C Notes will not then fall due under item Eighth of the Pre-Enforcement Interest Priority of Payments, but will instead be paid under item Thirteenth of the Pre-Enforcement Interest Priority of Payments. Any amounts so subordinated may be deferred to the extent the Interest Available Distribution Amounts applied in accordance with the Pre-Enforcement Interest Priority of Payments are not sufficient to pay in full the relevant interest amount which would otherwise be due on the Class C Notes.
- (d) To the extent that (i) the Class D Notes are not the Most Senior Class of Notes and (ii) the amount debited on the Class D Principal Deficiency Sub-Ledger is equal to or higher than 10 per cent. of the Principal Amount Outstanding of the Class D Notes on the previous Payment Date (after making all payments due on that date), interest on the Class D Notes will not then fall due under item Ninth of the Pre-Enforcement Interest Priority of Payments, but will instead be paid under item Fourteenth of the Pre-Enforcement Interest Priority of Payments. Any amounts so subordinated may be deferred to the extent the Interest Available Distribution Amounts applied in accordance with the Pre-Enforcement Interest Priority of Payments are not sufficient to pay in full the relevant interest amount which would otherwise be due on the Class D Notes.
- (e) If, on the Cancellation Date there remains any interest amount outstanding in respect of any of the Notes, then Condition 6.10 (*Redemption, Purchase and Cancellation – Cancellation*), paragraph (b) shall apply.

## **6. REDEMPTION, PURCHASE AND CANCELLATION**

### **6.1 Final Redemption**

- (a) Unless previously redeemed in full as provided in this Condition 6, the Issuer shall (subject to and in accordance with the relevant Priority of Payments) redeem the Notes at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon) on the Final Maturity Date.
- (b) The Issuer may not redeem the Notes of any Class in whole or in part prior to the Final Maturity Date except as provided below in Condition 6.2 (*Redemption, Purchase and Cancellation – Mandatory redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*) or 6.4 (*Redemption, Purchase and Cancellation – Optional redemption*), but this shall be without prejudice to Condition 11 (*Enforcement*).

### **6.2 Mandatory redemption in whole or in part**

- (a) If, on any Payment Date during the Amortisation Period, the Available Distribution Amounts can be applied for such purpose in accordance with the applicable Priority of Payments, then the Issuer shall apply the relevant Available Distribution Amounts in redeeming the Notes in whole or in part on such Payment Date during the Amortisation Period in accordance with the applicable Priority of Payments.



- (b) The Issuer shall give or cause to be given by the Paying Agent, not less than 4 (four) Business Days prior to the relevant Payment Date, notice of any redemption under Condition (a) above and the *pro rata* amount thereof to the Representative of the Noteholders and the Noteholders in accordance with Condition 14 (*Notices*).

### 6.3 Optional redemption for Issuer Tax Event

- (a) Subject as provided in this Condition 6.3, on any Payment Date prior to the service of a Trigger Notice, the Issuer may redeem at its option the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon) in accordance with the Post-Enforcement Priority of Payments, if, by reason of a change in the laws of the Republic of Italy or the interpretation or administrative practice in respect thereof after the Issue Date:
  - (i) the *patrimonio separato* of the Issuer in respect of the Securitisation becomes subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction; or
  - (ii) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law or the interpretation or administration thereof; or
  - (iii) any amounts of interest payable on the Receivables to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any other applicable taxing authority having jurisdiction,

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

- (b) The Issuer's right to redeem in the manner described above shall be subject to:
  - (i) it giving not more than 25 (twenty-five) nor less than 10 (ten) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) on the immediately succeeding Payment Date at their Principal Amount Outstanding together with interest accrued thereon up to, but excluding, such Payment Date; and
  - (ii) it providing to the Representative of the Noteholders:
    - (1) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international reputation (approved in

writing by the Representative of the Noteholders) opining on the relevant change in, or amendment to, the laws or regulations or the relevant change in the official interpretation of the laws or regulations thereof, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes; and

- (2) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) and any other payment ranking in priority thereto or *pari passu* therewith, in accordance with the Post-Enforcement Priority of Payments.
- (c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled to dispose of the Aggregate Portfolio in order to finance the redemption of the Notes (or the Senior Notes and the Mezzanine Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Aggregate Portfolio and all other Available Distribution Amounts in or towards the redemption of the Notes (or the Senior Notes and the Mezzanine Notes, as applicable) together with all interest accrued thereon subject to and in accordance with Condition 4.4 (*Order of priority – Post-Enforcement Priority of Payments*).
- (d) Following the occurrence of an Issuer Tax Event, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

#### 6.4 **Optional redemption for Clean Up Event**

- (a) Subject as provided in this Condition 6.4, on any Payment Date prior to the service of a Trigger Notice, if, as at the immediately preceding Determination Date, the aggregate Outstanding Balance of the Performing Receivables comprised in the Aggregate Portfolio is equal to or less than 10% of the Outstanding Balance of the Initial Portfolio as at the First Selection Date (the **Clean Up Event** and such relevant Payment Date, the **Clean Up Option Date**), the Issuer may redeem at its option (the **Clean Up Option**) the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon).
- (b) The Issuer's right to redeem in the manner described above shall be subject to:
  - (i) it giving not more than 25 (twenty-five) nor less than 10 (ten) days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) on the immediately succeeding Payment Date at their Principal Amount Outstanding together with interest accrued thereon up to (but excluding) the relevant Payment Date, in accordance with the Post-Enforcement Priority of Payments; and
  - (ii) it providing to the Representative of the Noteholders a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its outstanding liabilities in respect of the Senior Notes (in whole but not in part), the Mezzanine Notes (in whole but not in part) and the Class Z Notes (in whole or in part) and any other payment ranking in priority to or *pari passu* therewith, in accordance with the Post-

#### Enforcement Priority of Payments.

- (c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) shall be entitled to dispose of the Aggregate Portfolio in order to finance the redemption of the Notes (or the Senior Notes and the Mezzanine Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Aggregate Portfolio and all other Available Distribution Amounts in or towards the redemption of the Notes (or the Senior Notes and the Mezzanine Notes, as applicable), together with any accrued but unpaid interest thereon, subject to and in accordance with Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*).
- (d) Following the occurrence of a Clean up Event, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

#### 6.5 Optional redemption for regulatory reasons

- (a) Provided that no Trigger Notice has been served on the Issuer, upon:
  - (i) an enactment or implementation of, or supplement or amendment to, or change in, any applicable law, policy, rule, guideline or regulation of any competent international, European or national body (including the European Central Bank, the Prudential Regulation Authority, the Bank of Italy or any other competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline; or
  - (ii) a notification by or other communication from an applicable regulatory or supervisory authority is received by the Seller with respect to the Securitisation,

which, in either case, occurs on or after the Issue Date and results in, or would in the reasonable opinion of the Seller (and as certified by the Seller to the Issuer and to the Representative of the Noteholders) result in, a material adverse change in the capital treatment of the Notes or the capital relief afforded by the Notes or materially increasing the cost or materially reducing the benefit of the Securitisation, in either case, for the Seller or its affiliates, pursuant to applicable capital adequacy requirements or regulations as compared with the capital treatment or relief reasonably anticipated by the Seller on the Issue Date (each of such events, a **Regulatory Call Event**), the Issuer may, on any Payment Date following the occurrence of a Regulatory Call Event (the **Regulatory Call Early Redemption Date**), redeem the Class B Notes, the Class C Notes and the Class D Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon), in accordance with the Pre-Enforcement Principal Priority of Payments, subject to the Issuer:

- (i) giving not less than 25 (twenty-five) days' notice to the Representative of the Noteholders (with copy to the Servicer, the Calculation Agent and the Rating Agencies) and to the Noteholders in accordance with Condition 14 (*Notices*) of its intention to redeem the Class B Notes, the Class C Notes and the Class D Notes (the **Regulatory Redemption Notice**); and
- (ii) on or prior to the Regulatory Redemption Notice being given, delivering to the Representative of the Noteholders a certificate duly signed by the Issuer stating that the Regulatory Call Event cannot be avoided by taking reasonable measures and is continuing.

If after the Issuer having redeemed the Class B Notes, the Class C Notes and the Class D

Notes (in whole but not in part), there would be sufficient funds to redeem also the Class E Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon), then the Regulatory Redemption Notice would be extended also to such Class E Notes.

For the avoidance of doubt, the Senior Notes and the Junior Notes (if still outstanding) will not be redeemed and will remain outstanding.

It is understood that the declaration of a Regulatory Call Event will not be prevented by the fact that, prior to the Issue Date (i) the event constituting any such Regulatory Call Event was announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the European Central Bank, the Prudential Regulation Authority or the European Union, or incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Issue Date, or expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Call Event or (ii) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than the Securitisation. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the capital treatment of the Notes or the capital relief afforded by the Notes for the Seller or its affiliates or an increase of the cost or reduction of benefits to the Seller or its affiliates of the Securitisation immediately after the Issue Date.

- (b) The Issuer will redeem the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes pursuant to this Condition 6.5 (Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons) only subject to the Seller having agreed to provide the latter with the necessary funds for such redemption through the Seller Loan, in an amount equal to the Seller Loan Redemption Amount, in accordance with the terms of the Intercreditor Agreement.
- (c) Following the Regulatory Call Early Redemption Date, the parties to the Intercreditor Agreement have agreed to promptly execute and deliver all instruments, notices and documents and take all further action that the Issuer or the Seller may reasonably request including, without limitation, agreeing all necessary modifications, waivers and additions to the Transaction Documents required in order to, among others: (A) achieve, in respect of the parties to the Transaction Documents (other than, for the avoidance of doubt, the Seller) an equivalent economic effect as the position under the Transaction Documents on the date immediately prior to the Regulatory Call Early Redemption Date; and (B) reflect the advance by, and, without limitation, the repayment of the Seller Loan to, the Seller, provided that no such modifications, waivers and additions are materially prejudicial to the interests of the holders of the Class A Notes.

## 6.6 Calculations and Determinations

- (a) On each Calculation Date, the Issuer shall determine (or cause the Calculation Agent to determine):
  - (i) the amount of the Available Distribution Amounts;
  - (ii) during the Pro-Rata Amortisation Period, in or towards repayment, *pari passu* and *pro rata* according to the respective amounts thereof, of (i) any amount to be paid as principal on the Class A Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class A Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately

preceding such Payment Date); (ii) any amount to be paid as principal on the Class B Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class B Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iii) any amount to be paid as principal on the Class C Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class C Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (iv) any amount to be paid as principal on the Class D Notes *pari passu* and *pro rata* among themselves (net of any outstanding balance of the Class D Principal Deficiency Sub-Ledger, after giving effect to any adjustments in the relevant sub-ledger for the Collection Period immediately preceding such Payment Date); (v) any amount to be paid as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date, until all such Class A Notes, Class B Notes, Class C Notes and Class D Notes are redeemed in full and any amount to be paid as principal to the Seller under the Seller Loan on any Payment Date following the Regulatory Call Early Redemption Date has been paid in full;

- (iii) the principal payment (if any) due on each Note of each Class on the immediately following Payment Date; and
  - (iv) the Principal Amount Outstanding of each Note of each Class on the immediately following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each such Note).
- (b) Each determination by (or on behalf of) the Issuer of the Available Distribution Amounts, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful misconduct (*dolo*), gross negligence (*colpa grave*) or manifest error) be final and binding on all persons.
- (c) The Issuer will, on each Calculation Date, notify (or cause the Calculation Agent to notify) the determination of a principal payment on the Notes (if any) and the Principal Amount Outstanding of the Notes to the Representative of the Noteholders, the Rating Agencies, the Paying Agent and the Luxembourg Stock Exchange. The Issuer will notify (or cause the Paying Agent to notify) each determination of a principal payment on the Notes and of Principal Amount Outstanding of the Notes to the Noteholders through Euronext Securities Milan and in accordance with Condition 14 (Notices).
- (d) The principal amount redeemable in respect of the Notes of a particular Class on any Payment Date (each a **Principal Payment**) shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Payment Date to be applied towards redemption of such Class of Notes equal to the proportion that the Calculation Amount in respect of such Class of Notes bears to the aggregate Principal Amount Outstanding of all the Notes of such Class upon issue, rounded down to the nearest cent, *provided that* no amount of principal payable in respect of a Note may exceed the Principal Amount Outstanding of such Note. The amount of principal payable per Note of a particular Class on any Payment Date shall be an amount equal to the product of:

$$PP \times (D/CA)$$

(where "PP" is the Principal Payment payable per Calculation Amount in respect of such Class of Notes on such Payment Date, "D" is the denomination of such Notes and "CA" is the Calculation Amount in respect of such Class of Notes).

- (e) If the Issuer fails to determine (or to cause the Calculation Agent to determine) any principal

payment on the Notes or Principal Amount Outstanding of the Notes in accordance with the preceding provisions of this Condition 6.6, such principal payment on the Notes and Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders (also through delegates appointed by it, for whose activities it will remain fully responsible) in accordance with this Condition 6.6 and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

- (f) If a Monthly Servicing Report Delivery Failure Event has occurred and is not remedied within 3 (three) Business Days from the Information Date (or such longer period as may be agreed between the Servicer and the Calculation Agent), no amount of principal will be due and payable in respect of the Notes, provided that such non-payment will not constitute a Trigger Event.

## 6.7 Sequential Redemption Event

- (a) The occurrence of any of the following events in respect of any Payment Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*) or 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*) will constitute a **Sequential Redemption Event**:
  - (i) Insolvency of SFS Italia: an Insolvency Event occurs in respect of SFS Italia or any third party Servicer; or
  - (ii) Cumulative Loss Ratio: the Cumulative Loss Ratio, as at the last day of the immediately preceding Collection Period, is equal to or higher than 0.75% until (and including) the third Calculation Date, 1% until (and including) the sixth Calculation Date, 1.25% until (and including) the ninth Calculation Date, 1.75% until (and including) the twelfth Calculation Date, 2.25% until (and including) the fifteenth Calculation Date, and 2.5% for the remaining Calculation Dates; or
  - (iii) Delinquency Ratio Rolling Average: the Delinquency Ratio Rolling Average, as at the last day of the immediately preceding Collection Period, is equal to, or higher than, 5 per cent.;
  - (iv) Defaulted Receivables: the aggregate Outstanding Balance, as at the relevant Default Date, of all Receivables comprised in the Aggregate Portfolio which have become Defaulted Receivables from (and excluding) the First Selection Date up to (and including) the last day of the Collection Period immediately succeeding the relevant Selection Date is equal to, or higher than, 3.5 per cent. of the aggregate Outstanding Balance of the Initial Portfolio as at the relevant Selection Date;
  - (v) Principal Deficiency Ledger: the Principal Deficiency Ledger has a debit balance equal to or higher than 2.5% per cent. of the aggregate of Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as of the Issue Date;
  - (vi) Breach of obligations: SFS Italia defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is party which is, in the Representative of the Noteholders' opinion, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 5 (five) Business Days after the Representative of the Noteholders has given written notice thereof to SFS Italia requiring the same to be remedied (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 have to be given);

- (vii) Servicer Termination Event: a Servicer Termination Event occurs;
  - (viii) Interest Rate Swap Provider Downgrade Event: an Interest Rate Swap Provider Downgrade Event occurs and none of the remedies provided for in the Interest Rate Swap Agreement are put in place within the timeframe required thereunder;
  - (ix) Clean Up Event: a Clean Up Event occurs, but the Clean Up Option is not exercised by the Seller.
- (b) Upon the occurrence of a Sequential Redemption Event, the Representative of the Noteholders shall serve a Sequential Redemption Notice on the Issuer (with copy to the Servicer, the Calculation Agent and the Rating Agencies).
- (c) Following the delivery of a Sequential Redemption Notice:
- (i) the Pro-Rata Amortisation Period will end (unless a Sequential Redemption Notice has been delivered during the Revolving Period as, in such case, the Pro-Rata Amortisation Period will not start and the Sequential Redemption Period will begin) and repayments of principal in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will cease to be made on a *pari passu* and *pro rata* basis in accordance with the Pre-Enforcement Principal Priority of Payments; and
  - (ii) the Sequential Redemption Period will start and during such period repayments of principal in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be made at all times in a sequential order in accordance with the Pre-Enforcement Principal Priority of Payments so that (i) the Class B Notes will not be further redeemed for so long as the Class A Notes have not been redeemed in full, (ii) the Class C Notes will not be further redeemed for so long as the Class B Notes have not been redeemed in full and (iii) the Class D Notes will not be further redeemed for so long as the Class C Notes have not been redeemed in full.

## 6.8 Notice of redemption

Any such notice as is referred to in Conditions 6.2 (*Redemption, Purchase and Cancellation – Mandatory redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*), 6.4 (*Redemption, Purchase and Cancellation – Optional redemption*) or 6.5 (*Redemption, Purchase and Cancellation - Optional redemption for regulatory reasons*) above shall be (i) given to the Rating Agencies (ii) published in accordance with Condition 14 (*Notices*) and (ii) irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes of the relevant Class at amounts specified in this Condition 6.

## 6.9 No purchase by Issuer

The Issuer may not purchase any of the Notes.

## 6.10 Cancellation

- (a) The Notes will be cancelled on the Cancellation Date, being the earlier of:
- (i) the date on which the Notes have been redeemed in full;
  - (ii) the Final Maturity Date; and
  - (iii) the date on which the Servicer gives notice to the Issuer, the Representative of the Noteholders and the Noteholders that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising from an enforcement of the Note

Security or otherwise) being available to the Issuer.

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

## **7. PAYMENTS**

### **(a) Payments through Euronext Securities Milan, Euroclear and Clearstream**

Payments of principal and interest or Variable Return (as applicable) in respect of the Notes deposited with Euronext Securities Milan will be credited, according to the instructions of Euronext Securities Milan, by or on behalf of the Issuer to the accounts with Euronext Securities Milan of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Euronext Securities Milan to the accounts with Euronext Securities Milan of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes. Alternatively, the Paying Agent may arrange for payments of principal and interest or Variable Return (as applicable) in respect of the Notes to be made to the Noteholders through Euroclear and Clearstream, Luxembourg to be credited to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Payments made by or on behalf of the Issuer to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

### **(b) Payments subject to tax law**

Payments of principal and interest or Variable Return (as applicable) in respect of the Notes are subject in all cases to any fiscal or other applicable laws, regulations and directives in the place of payment or other laws to which the Issuer or its agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **(c) Entitlement to payments**

If the due date for payment of any amount of interest or Variable Return (as applicable) or principal in respect of any Note is not a local business day in a relevant jurisdiction, then the relevant Noteholder will not be entitled to payment until the immediately succeeding local business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

In this Condition 7, the expression local business day means a day (other than a Saturday or a Sunday or a public holiday) (i) on which banks are generally open for business to the public in the place where the registered office of any Euronext Securities Milan Account Holder is located and, in the case of payment by transfer to an account maintained by the payee in a different place, in such place; and (ii) which is a Business Day.

### **(d) Variation of Paying Agent**

The Issuer may at any time (with the prior written approval, not to be unreasonably withheld, of the Representative of the Noteholders), vary or terminate the appointment of the Paying



Agent and appoint a substitute subject to the terms of the Cash Allocation, Management and Payment Agreement. Notice of any such termination or appointment will be given to the Noteholders in accordance with Condition 14 (*Notices*).

## 8. TAXATION

All payments of principal and interest in respect of the Notes and of Variable Return (if any) in respect of the Class Z Notes will be made by or on behalf of the Issuer without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction.

## 9. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest and Variable Return) from the appropriate Relevant Date. In this Condition 9, **Relevant Date** in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all Notes due on or before that date has not been duly received by the Paying Agent on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

## 10. TRIGGER EVENTS

### 10.1 Trigger Events

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

- (a) **Non payment:** the Issuer defaults in:
- (i) the payment of any amount of interest due in respect of the Most Senior Class of Notes, and such default remains unremedied for 5 (five) Business Days from the due date thereof; or
  - (ii) the full repayment of principal due in respect of any Class of Notes on the Final Maturity Date, and such default remains unremedied for 5 (five) Business Days from the due date thereof; or
  - (iii) the payment of any amount of principal due and payable in respect of the Most Senior Class of Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Principal Available Distribution Amounts to make such payment of principal in accordance with the Pre-Enforcement Principal Priority of Payments), and such default remains unremedied for 5 (five) Business Days (it being understood that, prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), if a Monthly Servicing Report Delivery Failure Event has occurred and is not remedied within 3 (three) Business Days from the Information Date (or such longer period as may be agreed between the Servicer and the Calculation Agent), no amount of principal will be due and payable in respect of the Notes); or
- (b) **Breach of Obligations:** the Issuer defaults in the performance or observance of any of its

obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in paragraph (a) above) which is, in the Representative of the Noteholders' opinion, materially prejudicial to the interests of the Noteholders, and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (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 have to be given**); or

- (c) **Breach of Representations and Warranties:** any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents to which it is party proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 15 (fifteen) days after the Representative of the Noteholders has served notice requiring remedy (except where, in the sole opinion of the Representative of the Noteholders, the breach of the relevant representation is not capable of remedy in which case no notice requiring remedy will have to be given); or
- (d) **Insolvency Proceedings:** an Insolvency Event occurs in respect of the Issuer; or
- (e) **Arrangement of indebtedness:** other than in respect of the Issuer Secured Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (f) **Unlawfulness:** it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

## 10.2 Trigger Notice

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

- (a) shall, in case of the Trigger Events set out under Condition 10.1 above (a), (d), (e) and (f); or
- (b) shall, to the extent requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under Condition 10.1 above (b) and (c),

serve a Trigger Notice to the Issuer (with copy to the Servicer, the Calculation Agent and the Rating Agencies).

Following the delivery of a Trigger Notice:

- (a) the Notes shall (subject to Condition 17 (*Non Petition and Limited Recourse*)) become immediately due and repayable at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), without any further action, notice or formality, and the Available Distribution Amounts shall be applied in accordance with the Post-Enforcement Priority of Payments; and
- (b) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the

Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) and article 24(17)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

### 10.3 **Monies payable to the Noteholders and the Other Issuer Secured Creditors**

The Noteholders hereby irrevocably appoint, as from the Issue Date and with effect on the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

## 11. **ENFORCEMENT**

At any time after the Notes have become due and repayable following the service of a Trigger Notice:

### (a) *Actions of the Representative of the Noteholders*

the Representative of the Noteholders may, at its discretion and without further notice, (in accordance with the terms of the Transaction Documents) take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Aggregate Portfolio and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it is directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and, in all cases, it shall have been indemnified and/or secured to its satisfaction; and

### (b) *Disposal of the Aggregate Portfolio*

the Representative of the Noteholders shall become entitled to dispose of the Aggregate Portfolio in whole or in part, *provided that* the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

- (i) a sufficient amount would be realised to allow payment in full of all amounts owing to the holders of the Most Senior Class of Notes after payment of all other claims ranking in priority to the Most Senior Class of Notes in accordance with the Post-Enforcement Priority of Payments; or
- (ii) the Representative of the Noteholders is of the reasonable opinion, which shall be binding on the Noteholders and the Other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition (b) shall not apply) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Most Senior Class of Notes after payment of all other claims ranking in priority to the Most Senior Class of Notes in accordance with the Post-Enforcement Priority of Payments, it being understood that the Representative of the Noteholders shall not be bound to make the determination indicated above unless the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

## **12. REPRESENTATIVE OF THE NOTEHOLDERS**

### **12.1 The Organisation 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.

### **12.2 Appointment of the Representative of the Noteholders**

Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative (*rappresentante legale*) of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules. However, the initial Representative of the Noteholders has been appointed at the time of issue of the Notes by the Joint Lead Managers under the Senior Notes and Mezzanine Notes Subscription Agreement and by the Junior Notes Subscriber under the Junior Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

## **13. LISTING AND ADMISSION TO TRADING**

Application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on its regulated market the Senior Notes and the Mezzanine Notes. The Class Z Notes shall not be listed on any stock exchange.

## **14. NOTICES**

### **14.1 Notices**

So long as the Notes are held by Euronext Securities Milan on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Euronext Securities Milan. In addition, so long as the Senior Notes and the Mezzanine Notes are listed on the Stock Exchange and the rules of the Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Stock Exchange (<https://www.luxse.com/issuer/AutoABSSStella/112914>) (for the avoidance of doubt, such website does not constitute part of the Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

### **14.2 Transparency Directive**

In addition, so long as the Senior Notes and the Mezzanine Notes are listed on the Stock Exchange, any notice regarding the Senior Notes and the Mezzanine Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the **Transparency Directive**).

### **14.3 Alternative methods of notice**

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Senior Notes and the Mezzanine Notes of the relevant Class are listed and *provided that* notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

## **15. AMENDMENTS, WAIVERS AND CONSENTS**

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make

amendment or modification to these Conditions or any of the other Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 14 (*Notices*), as soon as practicable after it has been made.

## **16. DETERMINATIONS CONCLUSIVE**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders shall, in the absence of manifest error, be binding on the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders and on all the Noteholders and the Other Issuer Secured Creditors and (in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*)) no liability to the Noteholders shall attach to the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

## **17. NON PETITION AND LIMITED RECOURSE**

### **17.1 Non Petition**

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

- (a) neither a Noteholders, nor any person on its behalf (other than the Representative of the Noteholders, where appropriate in accordance with the Transaction Documents) shall be entitled to enforce the Note Security or take any proceedings against the Issuer to enforce the Note Security;
- (b) neither a Noteholder, nor any person on its behalf (other than the Representative of the Noteholders, where appropriate in accordance with the Transaction Documents), shall be entitled 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 such Noteholder; provided however that this paragraph (b) shall not prevent such Noteholder from taking any steps against the Issuer which do not amount to the commencement or the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an insolvency receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer;
- (c) until the date falling 2 (two) years plus 1 (one) day after the date on which all the Notes and all the asset backed notes issued in the context of the Previous Securitisation and any Further Securitisation have been redeemed in full or cancelled, neither a Noteholder, nor any person on its behalf (other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of the Previous Securitisation and any Further Securitisations have been so directed by an extraordinary resolution of the noteholders under the relevant securitisation transaction), shall be entitled to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer, provided however that this paragraph (c) shall not prejudice the right of such

Noteholder to prove a claim in an insolvency of the Issuer where such insolvency follows the institution of an insolvency proceeding by a third party creditor of the Issuer;

- (d) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step that would result in the Priority of Payments not being observed; and
- (e) without prejudice to Article 1229 of the Italian Civil Code, no Noteholder shall have a recourse against, nor shall any personal liability attach to, the Quotaholder, any other quotaholder, incorporator, officer, director or agent of the Issuer or in his capacity as such by proceedings or otherwise in respect of any obligation, covenant or agreement of the Issuer contained in the Transaction Documents.

## 17.2 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:

- (a) each Noteholder will have a claim only in respect of the Available Distribution Amounts 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 (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Available Distribution Amounts, net of any amounts which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (c) on the Cancellation Date, the Noteholders shall have no further claim against the Issuer in respect of any unpaid amounts outstanding in respect of the Notes and any such unpaid amounts shall be cancelled and discharged in full.

## 18. GOVERNING LAW AND JURISDICTION

### 18.1 Governing law of the Notes

The Notes and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

### 18.2 Governing Law of the Transaction Documents

- (a) All the Transaction Documents, save for the Interest Rate Swap Agreement and the Deed of Assignment, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.
- (b) The Interest Rate Swap Agreement and the Deed of Assignment, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, English law.

### 18.3 Jurisdiction

The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes, these Conditions, the Rules and the other Italian law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts. The

Issuer has in each of the Italian law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

English courts are to have jurisdiction to settle any disputes that may arise out of, or in connection with the Interest Rate Swap Agreement and the Deed of Assignment and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts.

**SCHEDULE 1**  
**RULES OF THE ORGANISATION OF NOTEHOLDERS**

**PART 1**

**GENERAL PROVISIONS**

**1. GENERAL**

The Organisation of the Noteholders is created concurrently with the issue and the subscription of the Notes, it is governed by these Rules of the Organisation of Noteholders (the **Rules**), and it shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these Rules are deemed to form part of each Note issued by the Issuer.

**2. DEFINITIONS**

Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Conditions. In addition, in these Rules, the following terms shall have the following meanings:

**24 Hours** means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included all or part of a day upon which banks are open for business, as above;

**48 Hours** means two consecutive periods of 24 Hours;

**Basic Terms Modification** means:

- (a) a modification of the Final Maturity Date;
- (b) a modification which would have the effect of cancelling or postponing any date for payment of interest on the Senior Notes and the Mezzanine Notes;
- (c) save as provided for in Condition 5.3 (*Right to interest - Fallback provisions*) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of any Class of Notes or the interest rate applicable in respect of any Class of Senior Notes and/or the Mezzanine Notes or Variable Return in respect of the Class Z Notes;
- (d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable to the holders of any Class of Senior Notes and/or the Mezzanine Notes or Variable Return in respect of the Class Z Notes;
- (e) a modification which would have the effect of altering the majority required to pass a Resolution provided for under paragraph 15 (*Passing of Ordinary resolution or Extraordinary Resolution*) below or the quorum required at any Meeting provided for under paragraph 10 (*Quorum for Conducting Business at meetings and passing resolutions*) below;
- (f) a modification which would have the effect of altering the currency of payment in respect of any Class of Notes or any alteration of the date or priority of payment or redemption of any Class of Notes;
- (g) a modification which would have the effect of altering the authorisation or consent by the Noteholders to applications of funds as provided for in the Transaction Documents;
- (h) the appointment and removal of the Representative of the Noteholders; and



- (i) an amendment of this definition;

**Blocked Notes** means the Notes which have been blocked in an account with the Euronext Securities Milan Account Holder for the purposes of obtaining (i) a Voting Certificate or (ii) if applicable, a Blocked Voting Instruction and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

**Blocked Voting Instruction** means, in relation to any Meeting, a document issued by the Paying Agent:

- (a) confirming that, on the basis of the Voting Certificate shown by the relevant Noteholder, the Blocked Notes have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);
- (b) stating that, on the basis of the Voting Certificate shown by the relevant Noteholder, the relevant holder of each Blocked Note has requested that (i) the votes attributable to such Blocked Note are to be cast in a particular way on each Resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked and (ii) one or more Proxies named therein are authorised to vote on its behalf in respect of the Blocked Notes in accordance with such instructions; and
- (c) attaching the relevant Voting Certificate;

**Chairman** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 9 (*Chairman of the Meeting*);

**Class of Notes** means (a) the Class A Notes; or (b) the Class B Notes; or (c) the Class C Notes; or (d) the Class D Notes; or (e) the Class E Notes; or (f) the Class Z Notes, as the context requires;

**Extraordinary Resolution** means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 21 (*Powers exercisable by an Extraordinary Resolution*) of Part 2 of these Rules;

**Euronext Securities Milan Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan and includes depository banks appointed by Clearstream and Euroclear;

**Issuer's Rights** means the Issuer's right, title and interest in and to the Receivables, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Representative of the Noteholders and any Other Issuer Secured Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the Securitisation;

**Meeting** means a meeting of the Relevant Class of Noteholders (whether originally convened or resumed following an adjournment);

**Ordinary Resolution** means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 20 (*Powers Exercisable by an Ordinary Resolution*);

**Proxy** means, in relation to any Meeting, a person (who need not to be a Noteholder) indicated under a Blocked Voting Instruction as the person entitled to vote in a Meeting in accordance with the instructions reproduced in such Blocked Voting Instruction;

**Relevant Class of Noteholders** means (a) the Class A Noteholders; and/or (b) the Class B Noteholders; and/or (c) the Class C Noteholders; and/or (d) the Class D Noteholders; and/or (e) the

Class E Noteholders; and/or (f) the Class Z Noteholders or a combination of the above mentioned Noteholders, as the context requires;

**Relevant Fraction** means:

- (a) for voting on any Ordinary Resolution, (i) one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (d) for voting on any Ordinary Resolution or any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) one-twentieth of the Principal Amount Outstanding of the Notes of that Class of Notes (in case of a Meeting of a particular Class of Notes), or (ii) one-twentieth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (e) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), one-third of the Principal Amount Outstanding of the relevant Class of Notes;

**Resolution** means each of the Ordinary Resolution and the Extraordinary Resolution, as the context may require;

**Voter** means, in relation to any Meeting, the holder of a Blocked Note;

**Voting Certificate** means, in relation to any Meeting, a certificate issued by the Euronext Securities Milan Account Holder under the Euronext Securities Milan system pursuant to the Regulation 13 August 2018:

- (a) stating that, on the date thereof, on request of the relevant Noteholder the Blocked Notes have been blocked in an account with a clearing system or the depository Euronext Securities Milan Account Holders (under the Euronext Securities Milan system in accordance with the Regulation 13 August 2018) and will not be released until the conclusion of the Meeting specified in such Voting Certificate or any adjournment of such Meeting (if any);
- (b) listing the ISIN code or other suffix or identification number of the Blocked Notes;
- (c) stating the principal outstanding amount of the Blocked Notes; and
- (d) stating that the bearer of such certificate (named therein) is entitled to attend and vote at the Meeting or to request the issue of a Blocked Voting Instruction in respect of the Blocked Notes;

**Written Resolution** means a Resolution in writing signed by or on behalf of all Noteholders who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules,

whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

Capitalised terms not defined in these Rules shall have the meanings attributed to them in the Conditions.

### 3. ORGANISATION PURPOSE

Each holder of the Notes becomes a member of the Organisation of the Noteholders upon subscription or purchase of the relevant Notes.

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these Rules, any reference to the **Noteholders** shall be considered as a reference to the Class A Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders and/or the Class Z Noteholders, as the case may be.

## PART 2

### THE MEETING OF NOTEHOLDERS

#### 4. GENERAL

Any resolution passed at a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with these Rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

The following provisions shall apply while Notes of two or more Classes of Notes are outstanding:

- (a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of the Notes of such Class of Notes;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a single Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion, provided however that (i) each time that in the opinion of the Representative of the Noteholders there is an actual or potential conflict of interest between the holders of one Class of Notes and the holders of any other Class of Notes, or (ii) an Extraordinary Resolution relating to Basic Terms Modifications shall be taken, the relevant Resolution shall be transacted, proposed and adopted at separate Meetings of the holders of each Class of Notes.

In this subparagraph **business** includes (without limitation) the passing or rejection of any Resolution.

In relation to each Class of Notes:

- (a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes (if any);
- (b) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the holders of the Most Senior Class of Notes shall be binding on the holders of the other Class of Notes, irrespective of the effect thereof on their interests;

- (c) no Resolution involving any matter that is passed by the holders of a Class of Notes which is not the Most Senior Class of Notes shall be effective on the holders of the Most Senior Class of Notes unless it is sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes.

## **5. ISSUE OF VOTING CERTIFICATES AND BLOCKED VOTING INSTRUCTIONS**

In order to provide evidence of its entitlement to attend a Meeting and/or vote in that Meeting (also by way of a Written Resolution or through a Proxy), any Noteholder shall request to the Euronext Securities Milan Account Holder the issue of Voting Certificates. Should the Noteholder want that the vote is casted in a particular way and that a Proxy votes on its behalf on the relevant Meeting, shall require the Paying Agent (providing it with the relevant Voting Certificate) to issue a Blocked Voting Instruction instructing how the vote shall be casted and the appointed Proxy, in each case by arranging for their Notes to be blocked in an account with a clearing system not later than 48 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders.

A Voting Certificate or a Blocked Voting Instruction shall be valid until the conclusion of the Meeting or any adjournment of such Meeting (if any), when the Blocked Notes to which it relates shall be released.

So long as a Voting Certificate or a Blocked Voting Instruction is valid, the bearer of it (in the case of a Voting Certificate) or any Proxy named in it (in the case of a Blocked Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting.

## **6. VALIDITY OF BLOCKED VOTING INSTRUCTIONS**

A Blocked Voting Instruction shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at some other place approved by the Paying Agent, at least 24 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders and, if not deposited before such deadline, the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Paying Agent so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Paying Agent shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

## **7. CONVENING OF MEETING**

The Representative of the Noteholders may convene a Meeting at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing of:

- (a) Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes; or
- (b) the Issuer's board of directors or the sole director (as the case may be),

subject in each case to being indemnified and/or secured to its satisfaction.

Every Meeting convened by the Representative of the Noteholders shall be held at such time and place as the Representative of the Noteholders may designate or approve, *provided that* it is in an EU Member State.

If any of the Noteholders or the Issuer has requested the Representative of the Noteholders to convene the Meeting, they or it shall send a communication in writing to that effect to the Representative of the Noteholders suggesting the day, time and location of the Meeting, and specifying the items to be included in the agenda and the full text of any Resolution to be proposed.

## **8. NOTICE**

At least 21 days' notice, but not more than 45 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time, the relevant quorum determined in accordance with paragraph 10 (*Quorum for Conducting Business at meetings and passing resolutions*) and place (located in the European Union) of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). Any notice to Noteholders shall be given in accordance with Condition 14 (*Notices*). The notice shall set out the full text of any Resolutions to be proposed (unless the Representative of the Noteholders determines - in its absolute discretion - that the notice shall instead specify the nature of the Resolution to be proposed at such Meeting without specifying the full text) and shall state that the Notes must be blocked in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing Proxies (in accordance with the terms of these Rules) not later than 48 Hours before the time fixed for the Meeting.

## **9. CHAIRMAN OF THE MEETING**

Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (a) if no such nomination is made; or (b) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

## **10. QUORUM FOR CONDUCTING BUSINESS AT MEETINGS AND PASSING RESOLUTIONS**

The quorum for conducting business (*quorum constitutivo*) (relating either to an Ordinary Resolution or an Extraordinary Resolution) at any Meeting convened by due notice shall be at least Voters representing or holding not less than the Relevant Fraction relative to (a) that Class of Notes (in case of a Meeting of one Class of Notes) or (b) all relevant Classes of Notes (in case of a joint Meeting).

The quorum for passing an Ordinary Resolution and an Extraordinary Resolution (*quorum deliberativo*) at any Meeting is provided for under paragraph 15 (*Passing of Ordinary resolution or Extraordinary Resolution*).

## **11. ADJOURNMENT FOR WANT OF QUORUM**

If within 15 minutes after the time fixed for any Meeting the quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place (located in the European Union) as the Chairman determines; provided, however, that:
  - (i) the Meeting shall be dissolved if the Issuer so decides; and
  - (ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

## **12. ADJOURNED MEETING**

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting 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. 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..

### **13. NOTICE FOLLOWING ADJOURNMENT**

Paragraph 8 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

- (a) at least ten days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given unless the notice of the original Meeting set the date for a second call, in which case no such notice shall be necessary;
- (b) the notice shall specifically set out the quorum determined in accordance with paragraph 10 (*Quorum for Conducting Business at meetings and passing resolutions*) which will apply when the Meeting resumes; and
- (c) it shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

### **14. PARTICIPATION**

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) the Issuer or its representative and the Paying Agent;
- (c) the directors, internal auditors (*sindaci*) (if appointed) and external auditors (*revisori*) of the Issuer;
- (d) the financial advisers to the Issuer;
- (e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent;
- (f) the Representative of the Noteholders; and
- (g) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

### **15. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION**

An Ordinary Resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

An Extraordinary Resolution is validly passed when the seventy-five (75) per cent. of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

### **16. VOTING BY SHOW OF HANDS**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded pursuant to paragraph 17 (*Voting By Poll*) before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a Resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the Resolution.

### **17. VOTING BY POLL**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters who represent or hold at least one-twentieth of the Principal Amount Outstanding of the relevant Class of Notes.

If at any Meeting a poll is so demanded, it shall be taken in such manner and either at once or after such adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. Notwithstanding the foregoing, the demand for a poll shall not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.

Any poll demanded at any Meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

## **18. VOTES**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

Unless the terms of any Blocked Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

## **19. VOTING BY PROXIES**

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Paying Agent has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment except for any appointment of a Proxy in relation to a Meeting which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

## **20. POWERS EXERCISABLE BY AN ORDINARY RESOLUTION**

Save as provided by paragraph 21 (*Powers exercisable by Extraordinary Resolution*) below, the Meeting shall have exclusive powers on the following matters:

- (a) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might

otherwise constitute a Trigger Event;

- (d) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;
- (e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any receivables on which a charge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents.

## 21. POWERS EXERCISABLE BY AN EXTRAORDINARY RESOLUTION

Without limitation to the exclusive powers of the Meeting listed in paragraph 20 (*Powers Exercisable by an Ordinary Resolution*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

- (a) approval of any Basic Terms Modification;
- (b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes, the Conditions or otherwise;
- (c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (d) without prejudice to the Conditions, approval of any alteration of the provisions contained in these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;
- (e) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these Rules, the Notes, the Conditions or any other Transaction Document;
- (f) giving any direction or granting any authority or sanction which, under the provisions of these Rules, the Conditions or the Notes, is required to be given by Extraordinary Resolution (including, without limitation, (i) the sanctioning of each of the events described in paragraphs (c) and (d) of Condition 10.1 (*Trigger Events - Trigger Events*); (ii) the service of a Trigger Notice pursuant to Condition 10.2 (*Trigger Events – Trigger Notice*); (iii) the taking of any steps and/or instituting any proceedings, to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document in accordance with Condition 11 (*Enforcement*); and (iv) the approval of individual action or remedy to be taken or sought by a Noteholder to enforce his or her rights under the Notes pursuant to Condition 17 (*Non Petition and Limited Recourse*); and
- (g) authorisation and sanctioning of actions of the Representative of the Noteholders under these Rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer from its



obligations by the Representative of the Noteholders.

## **22. CHALLENGE OF RESOLUTION**

Any Noteholder can challenge a Resolution which is not passed in conformity with the provisions of these Rules.

## **23. MINUTES**

Minutes shall be made of all Resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all Resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

## **24. WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by an Ordinary Resolution, as if it were an Ordinary Resolution.

## **25. INDIVIDUAL ACTIONS AND REMEDIES**

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;
- (b) the Representative of the Noteholders will, within 30 (thirty) days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these Rules at the expense of such Noteholder;
- (c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (*provided that* the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and
- (d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has resolved to authorise such action or remedy and in accordance with the provisions of this paragraph 25.

## **PART 3**

### **THE REPRESENTATIVE OF THE NOTEHOLDERS**

## **26. APPOINTMENT, REMOVAL AND REMUNERATION**

### **26.1 Appointment**

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this paragraph

26, save in respect of the appointment of the first Representative of the Noteholders which, in accordance with the terms of the Intercreditor Agreement, will be Zenith Global S.p.A.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

## **26.2 Identity of the Representative of the Noteholders**

The Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or
- (b) a financial institution registered under Article 106 of the Italian Banking Act; or
- (c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as the Representative of the Noteholders.

## **26.3 Duration of appointment**

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) under paragraph 26.2 above, and, *provided that* a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

## **26.4 After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 26.2 above, and, *provided that* a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

## **26.5 Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee, which will be paid in

equal instalments monthly in arrear on each Payment Date, for its services as Representative of the Noteholders as from the Issue Date and as agreed under a separate fee letter. Such remuneration shall be payable in accordance with the terms of the Intercreditor Agreement and the applicable Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

In the event of the Representative of the Noteholders considering it necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the duties of the Representative of the Noteholders set out in the Conditions or in the Rules, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them. In the event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon the amount of such additional remuneration, then such matter shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third merchant bank (the expenses involved in such nomination and the fees of such merchant banks being payable by the Issuer) and the determination of any such nominated merchant bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

## **27. DUTIES AND POWERS**

### **27.1 Legal Representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the **Relevant Provisions**).

### **27.2 Meetings**

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders. The Representative of the Noteholders has the right to attend Meetings. Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders of a Class of Notes vis-à-vis the Issuer.

### **27.3 Conflict of interests**

Each of the Noteholders acknowledges and agrees that the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Most Senior Class of Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class (subject to the provisions of these Rules concerning Basic Terms Modifications), and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post-Enforcement Priority of Payments.

### **27.4 Delegation of powers by the Representative of the Noteholders**

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers

and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate, *provided that* the Representative of the Noteholders shall use all reasonable care in the appointment of any of such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate appointed by it in good faith and with reasonable care and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

### **27.5 Insurance**

The Representative of the Noteholders shall have the power (but not the obligation) to insure against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it:

- (a) as a result of the Representative of the Noteholders acting or failing to act in a certain way (otherwise than by reason of its any gross negligence (*colpa grave*), wilful default (*dolo*) or fraud); or
- (b) as a result of any act or failure to act by any person to whom the Representative of the Noteholders has delegated any of its trusts, powers, authorities, duties, discretions and obligations or appointed as its agent,

and the Issuer shall, to the extent such insurance does not form part of the normal insurance cover carried by the Representative of the Noteholders for its business activities, pay all insurance premiums and expenses which the Representative of the Noteholders may properly incur in relation to such insurance, subject to the applicable Priority of Payments.

### **27.6 Representation in Insolvency Proceedings**

The Representative of the Noteholders shall be authorised to represent the Noteholders in judicial proceedings, including enforcement proceedings and Insolvency Proceedings against the Issuer in so far as they relate to the Notes and the other Transaction Documents.

### **27.7 Minor amendments or modifications**

The Representative of the Noteholders may as set out below under Rule 27.20 (*Additional modifications and waivers*) and subject to the provisions therein, without the consent of the Noteholders or any Other Issuer Secured Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

- (a) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; and
- (b) any amendment or modification to these Conditions or to any of the other Transaction

Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

#### **27.8 Waiver or authorisation of breach**

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditor (other than those which are parties to the relevant Transaction Documents) and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver, *provided that* the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution.

#### **27.9 Advice from experts**

The Representative of the Noteholders shall be entitled to act on the advice, certificate or opinion of or on any information obtained from any lawyer, accountant, banker, rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, *provided that*, where such lawyer, accountant, banker, rating agency or other expert is appointed by the Representative of the Noteholders, such appointment is made with due care in all the circumstances, and, subject to the aforesaid, the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*), be liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, email, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

#### **27.10 Certificates of Issuer as sufficient evidence**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate.

#### **27.11 Certificates of Other Issuer Secured Creditors as sufficient evidence**

The Representative of the Noteholders shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine of any party to the Intercreditor Agreement, any Other Issuer Secured Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so.

#### **27.12 Certificate from Euronext Securities Milan Account Holder or common depository as sufficient evidence**

The Representative of the Noteholders may call for, and shall be at liberty to accept and place full

reliance on, as suitable evidence of the facts stated therein, a certificate or letter of confirmation as true and accurate and signed on behalf of any Euronext Securities Milan Account Holder or common depository, as the case may be, as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time, or throughout any particular period, any party hereto is, was or will be shown in its records as entitled to a determined number of Notes.

#### **27.13 Discretion in exercise of rights and powers**

The Representative of the Noteholders, save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by the Conditions, these Rules or any other Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful default (*dolo*).

#### **27.14 Instructions in respect of discretional matters**

In relation to the matters in respect of which the Representative of the Noteholders is entitled to exercise any of its rights and discretions hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such right or discretion. The Representative of the Noteholders shall not be obliged to take any action in respect of the Conditions, these Rules or any other Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (*provided that* supporting documents are delivered) which it may incur by taking such action.

#### **27.15 Full reliance on resolutions of Noteholders**

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

#### **27.16 Trigger Event**

Subject as provided in Condition 10 (*Trigger Events*), the Representative of the Noteholders may determine whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such determination shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party to any of the Transaction Documents.

#### **27.17 Default of the Issuer capable of remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Conditions or contained in the Notes or any other Transaction Documents is capable of remedy and, if the Representative of the Noteholders certifies that any such default is not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party hereto.

#### **27.18 No Notes held by the Issuer**

The Representative of the Noteholders may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer.

#### **27.19 Acknowledgement of role and functions of the Representative of the Noteholders**

Each Noteholder, by acquiring title to a Note, is deemed to acknowledge and accept the provisions of the Transaction Documents and agree and acknowledge that:

- (a) the Representative of the Noteholders has agreed to become a party to each of the Transaction Documents to which the Issuer is a party only for the purpose of taking the benefit of such Transaction Document and regulating the agreement of amendments to it;
- (b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders the right to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that Noteholder's rights under the Securitisation Law in respect of the Aggregate Portfolio and all amounts and/or other assets of the Issuer arising from such Aggregate Portfolio and the Transaction Documents;
- (c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and the other Transaction Documents to institute proceedings against the Issuer or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Class and recovering any amounts owing under the Notes or under the Transaction Documents;
- (d) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under the Conditions and/or the other Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Italian Banking Act or otherwise, unless a Trigger Notice shall have been served and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (*provided that* any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), *provided that* the Noteholder may then only proceed subject to the provisions of the Conditions and *provided that* this provision shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;
- (e) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code; and
- (f) the provisions of this paragraph 27 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

#### **27.20 Additional modifications and waivers**

Notwithstanding the provisions of Rule 27.7 (*Minor amendments or modifications*), the Representative of the Noteholders is duly authorised to, without any consent or sanction of the Noteholders or any of the Other Issuer Secured Creditors, to concur with the Issuer or any other relevant parties in making any modification (other than in respect of a Basic Terms Modification) to the Conditions or any other Transaction Document that the Issuer (after consultation with the Seller and/or the Servicer) considers necessary:

- (a) for the purposes of effecting a Base Rate Modification pursuant to Condition 5.3 (*Right to interest - Fallback provisions*) *provided that*, solely in circumstances in which the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of Condition 5.3(c)(ii)(D), if, prior to the expiry of the 30 (thirty) day notice period described in Condition 5.3(d)(iv), the Issuer is notified by the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes that they object to the proposed modification, then following such a notification of objection the modification will only be made if it is approved by a resolution of the Most Senior Class of Noteholders representing at least a majority of the Principal Amount Outstanding of the Most Senior Class of Notes passed in accordance with the Rules of the Organisation of the Noteholders;
- (b) subject to the Interest Rate Swap Agreement, for the purpose of changing the base rate that then applies in respect of the Interest Rate Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Interest Rate Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Interest Rate Swap Agreement to the Reference Rate of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes following such Base Rate Modification, *provided that* the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and it has been drafted solely to such effect;
- (c) in order to enable the Issuer and/or the Interest Rate Swap Provider to comply with any obligation which applies to it under EMIR, *provided that* the Servicer on behalf of the Issuer or the Interest Rate Swap Provider, as appropriate, certifies to the Representative of the Noteholders in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (d) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the 2015 Guideline), for the purposes of maintaining such eligibility, *provided that* the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or
- (e) for the purposes of enabling the transactions effected by the Transaction Documents to constitute a transfer of significant credit risk within the meaning of Article 244(1)(b) of the CRR, *provided that* the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or
- (f) for the purposes of complying with the EU Securitisation Rules, *provided that* the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification has been advised by a firm providing verification services in relation to the Securitisation pursuant to Article 28 of the EU Securitisation Regulation or a reputable international law firm, is required solely for such purpose and has been drafted solely to such effect; or



- (g) on or after the Regulatory Call Early Redemption Date, in order to: (A) achieve in respect of the parties to the Transaction Documents (other than, for the avoidance of doubt, the Seller) an equivalent economic effect as the position under the Transaction Documents on the date immediately prior to the Regulatory Call Early Redemption Date; and (B) reflect the advance by, and, without limitation, the repayment of the Seller Loan to, the Seller, by amending, without limitation and to the extent necessary or desirable, the applicable Priority of Payments, *provided that* the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification is required solely for such purposes and has been drafted solely to such effects and provided further that no such modification, waiver and/or additions are materially prejudicial to the interests of the holders of the Class A Notes,

(the certificate to be provided by the Servicer on behalf of the Issuer or the Interest Rate Swap Provider, as the case may be, pursuant to paragraphs (b) to (g) (inclusive) above being a **Modification Certificate**).

The Representative of the Noteholders is duly authorised, and will act on a fully reliance basis on below, to concur with the Issuer in making any modification for the purposes referred to in paragraphs (b) to (g) (inclusive) above if the following conditions have been satisfied (the **Modification Conditions**):

- (a) at least 30 (thirty) days' prior written notice by the Issuer of any such proposed modification has been given to the Representative of the Noteholders;
- (b) the Modification Certificate in relation to such modification shall be provided to the Representative of the Noteholders both at the time the Representative of the Noteholders is notified of the proposed modification and on the date that such modification takes effect specifying that, *inter alia*, no objections have been raised;
- (c) the Issuer (or the Servicer on its behalf) provides the Representative of the Noteholders with such legal opinions as the Representative of the Noteholders considers necessary in connection with the implementation of such modifications;
- (d) the party who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Representative of the Noteholders in connection with such modification;
- (e) the Issuer, or the Servicer on its behalf, certifies to the Representative of the Noteholders (which certification may be in the Modification Certificate) that the proposed modification is not, in the reasonable opinion of the Issuer or Servicer (as applicable) formed on the basis of due consideration, a modification in respect of a Basic Terms Modification;
- (f) either:
- (i) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) and delivers a copy of such confirmation to the Issuer and the Representative of the Noteholders; or
- (ii) the Servicer, on behalf of the Issuer, certifies in the Modification Certificate that it has notified each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration and consultation with the Rating Agencies, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by any Rating Agency or (y) any Rating Agency placing the Rated Notes on rating watch negative (or equivalent),

*provided that* the Rating Agencies may, but will have no obligation to, release any such rating confirmation;

- (g) (I) the Issuer (or the Servicer on its behalf) certifies in writing to the Representative of the Noteholders (which certification may be in the Modification Certificate) that, in relation to such modification, the Issuer (or the Paying Agent on its behalf) has provided at least 30 (thirty) days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 14 (*Notices*) specifying the date and time by which Noteholders must respond and has made available, at the time of publication, the modification documents for inspection at the registered office of the Representative of the Noteholders for the time being during normal business hours and (II) Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer and the Paying Agent in accordance with the then current practice of the clearing system through which such Notes may be held notifying them by the time specified in such notice that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have notified the Issuer and the Paying Agent, in accordance with the notice and the then current practice of any applicable clearing system through which such Notes may be held, by the time specified in such notice that they do not consent to the modifications set out in paragraphs (b) to (f) above, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class of Noteholders is passed in favour of such modification in accordance with the Rules of the Organisation of the Noteholders.

Objections made in writing other than through the clearing systems must be accompanied by evidence to the Representative of the Noteholders' satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Any modification made in accordance with this Condition 27.20 shall be binding on all Noteholders and shall be notified by the Issuer (or the Paying Agent on its behalf) without undue delay to, so long as any of the Rated Notes remains outstanding, each Rating Agency and, in any event, the Other Issuer Secured Creditors and the Noteholders in accordance with Condition 14 (*Notices*).

The Representative of the Noteholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders, would have the effect of (i) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Representative of the Noteholders in the Transaction Documents and/or the Conditions.

#### **27.21 Representative of the Noteholders consideration of other interests**

When implementing any modification pursuant to Rule 27.20 (*Additional modifications and waivers*) (save to the extent that the proposed matter is a Basic Terms Modification), the Representative of the Noteholders shall not consider the interests of the Noteholders, any Other Issuer Secured Creditors or any other person and shall act and rely solely without further investigation on any certificate (including any Modification Certificate) or evidence provided to it by the Issuer (or the Servicer on its behalf) or the Interest Rate Swap Provider, as the case may be, pursuant to Rule 27.20 (*Additional modifications and waivers*) and shall not be liable to the Noteholders, any Other Issuer Secured Creditors or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

#### **28. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being

responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders *provided that* if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to paragraph 26.2 above.

## 29. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders, in its capacity as such, shall not assume any other obligations related to the Securitisation in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) *No ascertainment of events*

shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder under these Rules, the Notes, the Conditions or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

(b) *No monitoring duties*

shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other Transaction Party of the provisions of, and their obligations under, these Rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) *Collection and payment services*

shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of Article 2, paragraph 6 of the Securitisation Law and the relevant Implementing Regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy;

(d) *No notices related to the Securitisation*

except as expressly required under the Transaction Documents, shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(e) *No investigation duties*

shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status,

creditworthiness or solvency of the Issuer or any other Transaction Party; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Receivables; or (vi) any matter which is the subject of any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders contained herein or in any Transaction Document;

(f) *Use of proceeds*

shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(g) *Maintenance of rating*

shall have no responsibility for the maintenance of the rating of the Rated Notes by the Rating Agencies or any other credit or rating agency or any other person;

(h) *Rights and title to the Receivables*

shall not be bound or concerned to examine, or enquire into, or be liable for any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) *No registration duties*

shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(j) *No insurance obligations*

shall not be under any obligation to insure the Auto Loans, the Receivables or any part thereof;

(k) *No responsibility for calculations and payments*

shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the applicable Priority of Payments;

(l) *No regard of domicile of Noteholders*

shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) *Effect of amendments*

shall not be under any obligation to consider the effect of any amendment of these Rules, the Conditions or any of the Transaction Documents on the financial condition of individual

Noteholders or any other Transaction Party;

(n) *No disclosure of information*

shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Secured Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Secured Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(o) *Rating Agencies*

shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions that such exercise will not be prejudicial to the interests of the Noteholders if the Rating Agencies (except for Fitch) have confirmed that the then current rating of the Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise.

Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

If required to do so pursuant to the provisions of the Servicing Agreement, the Representative of the Noteholders shall use its best efforts to identify and propose a Back-up Servicer, it being understood that the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on its part, be held liable if no Back-up Servicer is identified.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

## **30. SECURITY DOCUMENTS**

### **30.1 Exercise of rights under the Security Document**

Each Noteholder hereby acknowledges and agrees that the Representative of the Noteholders has entered into (or is entitled to enter into) the Deed of Assignment in its capacity as trustee for the benefit of the Noteholders and Other Issuer Secured Creditors and is entitled to exercise its rights and powers in relation to the Deed of Assignment and the security created or purported to be created thereby, in each case on the terms set out in the Deed of Assignment and the other Transaction Documents..

### **30.2 Rights of the Representative of the Noteholders**

The Representative of the Noteholders, acting on behalf of the Noteholders and Other Issuer Secured Creditors, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, in the interest and on behalf of the Noteholders and Other Issuer Secured Creditors, any amounts deriving from the Note Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Note Security to make any payments to be made thereunder to the relevant Account;
- (b) procure that the accounts to which payments have been made in respect of the Note Security are operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Noteholders and the Other Issuer Secured Creditors, shall appoint the Issuer to manage such Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the Note Security and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Noteholders and the Other Issuer Secured Creditors, but also of such amounts due and payable to any other parties that rank prior to the Noteholders and the Other Issuer Secured Creditors according to the applicable Priority of Payments set forth in the Conditions, and to the extent that all amounts due and payable to the Noteholders and the Other Issuer Secured Creditors have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Noteholders and Other Issuer Secured Creditors.

### **30.3 Waiver of the Noteholders**

The Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Issuer Accounts which is not in accordance with the provisions of this paragraph 30.

## **31. INDEMNITY**

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all costs, liabilities, losses, charges, expenses (provided, in each case, that supporting documents are delivered), damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these Rules, the Conditions or any other Transaction Document, including but not limited to properly incurred legal expenses, reasonable travelling expenses and any reasonable attorney's fees, stamp, issue, registration, documentary and other taxes or duties due to be paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought against or contemplated by the Representative of the Noteholders pursuant to these Rules, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these Rules, the Notes or the Transaction Documents, other than as a result of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders.

## PART 4

### THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER NOTICE AND/OR A SPECIFIED EVENT

#### 32. POWERS

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise that, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, has been irrevocably appointed as from the date of execution of the Intercreditor Agreement and with effect on the date on which the Notes will become due and payable following the service of a Trigger Notice, as exclusive, true and lawful agent (*mandatario esclusivo con rappresentanza*), of the Noteholders and the Other Issuer Secured Creditors to, including without limitation, receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

In particular, the Representative of the Noteholders shall be authorised to:

- (a) exercise all and any of their rights under the Securitisation Law in respect of the Aggregate Portfolio and the Available Collections and all amounts and/or other assets of the Issuer deriving from the Aggregate Portfolio, if any;
- (b) receive on their behalf all moneys resulting from the action under (a) above or otherwise payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors, such moneys to be applied by the Representative of the Noteholders in accordance with the applicable Priority of Payments;
- (c) following the occurrence of an Issuer Insolvency Event only, deal with the insolvency procedure (including the filing of any claim for payment) and to receive on their behalf from the procedure any and all monies payable by the insolvency receiver to any of the Issuer Secured Creditors and to apply such monies in accordance with the applicable Priority of Payments; and
- (d) do any act, matter or thing which it considers necessary to exercise or protect the Noteholders and the Other Issuer Secured Creditors' rights under any of the Transaction Documents.

In addition, the Representative of the Noteholders, in its capacity as true and lawful agent (*mandatario con rappresentanza*) of the Issuer in the interest, and for the benefit of, the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1723, second paragraph of the Italian Civil Code, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, upon service of a Trigger Notice and/or occurrence of a Specified Event, in the name and on behalf of the Issuer any and all of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In particular, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

- (a) to request the Account Bank to transfer all monies standing to the credit of each of the Issuer Accounts and/or the Expenses Account to replacement accounts opened for such purpose by the Representative of the Noteholders with the same or a replacement Account Bank;
- (b) to require performance by any Issuer Secured Creditor of its obligations under the relevant Transaction Document to which such Issuer Secured Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available

to the Issuer under the relevant Transaction Document against such Issuer Secured Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Secured Creditors in respect of the Aggregate Portfolio, the Receivables, the Securitisation Assets and the Issuer's Rights;

- (c) to instruct the Servicer in respect of the recovery of any amounts due under the Aggregate Portfolio or in relation to any other Securitisation Asset and/or the Issuer's Rights;
- (d) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Available Collections (by way of a power of attorney granted under the terms of the Intercreditor Agreement) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; and
- (e) to distribute the monies from time to time standing to the credit of the Issuer Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (a) above to the Noteholders and the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

## **PART 5**

### **GOVERNING LAW AND JURISDICTION**

#### **33. GOVERNING LAW AND JURISDICTION**

These Rules and any non-contractual obligations arising out of or in connection with these Rules are governed by, and will be construed and interpreted in accordance with, the laws of Italy.

All disputes arising out of or in connection with these Rules and any non-contractual obligations arising out of or in connection with these Rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.



## **ESTIMATED MATURITY AND ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES AND THE MEZZANINE NOTES**

The weighted average life of the Senior Notes and the Mezzanine Notes refers to the average length of time (on an actual/360 basis) that will elapse from the date of issuance of the Senior Notes and the Mezzanine Notes to the date of repayment to the investors of all principal amounts due in relation to the Senior Notes and the Mezzanine Notes. The weighted average life of the Senior Notes and the Mezzanine Notes will vary according to the rate at which principal payments are received on the Receivables, which shall be determined on the basis of amortisation, scheduled principal payments, prepayments and actual collections received in respect of each Receivable; calculations as to the estimated maturity and average life of the Senior Notes and the Mezzanine Notes have been based on certain assumptions, including the following:

- (a) that the Auto Loans are subject to a constant rate of prepayment as shown in the table below;
- (b) that no Receivables are sold by the Issuer;
- (c) that the Auto Loans continue to be fully performing;
- (d) that the Receivables comprised in the Additional Portfolios which will be sold by the Seller to the Issuer during the Revolving Period will amortise substantially in the same way as the Receivables comprised in the Initial Portfolio;
- (e) that the Revolving Period will end on the Payment Date falling in January 2025 (excluded);
- (f) that no Trigger Event will occur;
- (g) that, following the occurrence of a Clean Up Event, the Clean Up Option will be exercised;
- (h) that no early redemption of the Notes pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*) or Condition 6.5 (*Redemption, Purchase and Cancellation - Optional redemption for regulatory reasons*) will occur.

<b>Notes/CPR</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
<b>Class A Notes</b>	2.5	2.4	2.3	2.1	2.0
<b>Class B Notes</b>	2.5	2.4	2.3	2.1	2.0
<b>Class C Notes</b>	2.5	2.4	2.3	2.1	2.0
<b>Class D Notes</b>	2.5	2.4	2.3	2.1	2.0
<b>Class E Notes</b>	0.3	0.3	0.3	0.3	0.3

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

## TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all of the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

### Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to the Securitisation Law.

### Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders under (a), (b) or (c) above opted for the application of the *risparmio gestito regime* – see under "Capital gains tax" below), interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a "tax on account".

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Law No. 232 of 11 December 2016 (the **Budget Law 2017**) and in Article 1(211-215) of Law No. 145 of 30 December 2018 (the **Budget Law 2019**) as amended and supplemented.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorised intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or Italian real estate SICAFs (**Real Estate SICAFs**), are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF.

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment

company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy (together the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax at a rate of 26 per cent. will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Budget Law 2017 and in Article 1(211-215) of Budget Law 2019.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

### **Non-Italian resident Noteholders**

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies *provided that* the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the

applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

### Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(88-114) of Budget Law 2017 and in Article 1(211-215) of Budget Law 2019.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an

entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Budget Law 2017 and in Article 1(211-215) of Budget Law 2019.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration or *enunciazione*.

### **Stamp duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary to its clients. The stamp duty applies at a rate of 0.2 per cent. (it can be no lower than Euro 34.20. If the client is not an individual, and cannot be higher than Euro 14,000.00) on the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth Tax on securities deposited abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay a wealth tax which applies at a rate of 0.2 per cent on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes, if any, paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### **Automatic exchange of information**

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a directive regarding the taxation of savings income ("**EU Savings Directive**" or the "**Directive**"). Under the Directive each Member State was required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State.

On 10 November 2015, the EU Council Directive 2015/2060/EU, under proposal of the European Commission, repealed the EU Savings Directive which is replaced by the EU Council Directive 2011/16/EU, as amended

and supplemented from time to time, on administrative cooperation in the field of taxation (the "**DAC**"). This is to prevent overlap between the EU Savings Directive and the new automatic exchange of information regime to be implemented under the DAC. The new regime under the DAC is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. DAC is generally broader in scope than the EU Saving Directive, although it does not impose withholding taxes.

Italy originally implemented the Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree 84**"). On 10 November 2015, as mentioned above, the Council of the European Union adopted a Council Directive repealing the EU Savings Directive in order to prevent overlap between the EU Saving Directive and the DAC. The DAC has been implemented through Legislative Decree No. 29 of 4 March 2014, as amended and supplemented from time to time, and with Ministerial Decree of 28 December 2015, as amended and supplemented from time to time, (published in the Official Gazette No. 303 of 31 December 2015). Therefore, Law No. 122 of July 2016 repealed Decree 84 accordingly.

Finally, on 25 May, 2018 the EU Council Directive 2018/822 (the **DAC 6**) has been adopted. Italy implemented the DAC6 with Decree No. 100 of July 30, 2020. Under the DAC 6 intermediaries which meet certain EU nexus criteria and taxpayers are required to disclose to the relevant Tax Authorities certain cross-border arrangements, which contain one or more of a prescribed list of hallmarks, performed from 25 June 2018 onwards.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthrough payments**) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthrough payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## **SUBSCRIPTION, SALE AND SELLING RESTRICTIONS**

### **The Subscription Agreements**

#### *Senior Notes and Mezzanine Notes Subscription Agreement*

Pursuant to the Senior Notes and Mezzanine Notes Subscription Agreement and subject to the terms and conditions provided thereunder, the Joint Lead Managers have agreed to subscribe and pay for, or procure the subscription and the payment for the Senior Notes and the Mezzanine Notes on the Issue Date.

The Senior Notes and Mezzanine Notes Subscription Agreement is subject to a number of conditions precedent and may be terminated by the Joint Lead Managers in certain circumstances prior to payment for the Senior Notes and/or the Mezzanine Notes to the Issuer. The Seller has agreed to indemnify the Arrangers and the Joint Lead Managers, and the Issuer has agreed to indemnify the Arrangers and the Joint Lead Managers, against certain liabilities in connection with the issue of the Senior Notes and the Mezzanine Notes.

The Senior Notes and Mezzanine Notes Subscription Agreement, and any non-contractual obligation arising out of or in connection therewith, is governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Senior Notes and Mezzanine Notes Subscription Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

#### *Junior Notes Subscription Agreement*

Pursuant to the Junior Notes Subscription Agreement and subject to the terms and conditions provided thereunder, the Junior Notes Subscriber has agreed to subscribe for the Junior Notes on the Issue Date.

The Junior Notes Subscription Agreement is subject to a number of conditions precedent and may be terminated by the Junior Notes Subscriber in certain circumstances prior to payment for the Junior Notes to the Issuer. The Issuer has agreed to indemnify the Junior Notes Subscriber, against certain liabilities in connection with the issue of the Junior Notes.

The Junior Notes Subscription Agreement, and any non-contractual obligation arising out of or in connection therewith, is governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Junior Notes Subscription Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

### **Selling Restrictions**

#### **General**

The Senior Notes and the Mezzanine Notes are freely transferable by the Joint Lead Managers. The Junior Notes are freely transferable by the Junior Notes Subscriber. To such purpose, each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the relevant Notes or has in its possession, distributes or publishes such offering material, or in each case purports to do so, in all cases at its own expense. Furthermore, each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has undertaken that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any relevant Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable



laws and regulations. Unless otherwise herein provided, each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has undertaken that it will not take any action to obtain permission for public offering of the relevant Notes in any country where action would be required for such purpose.

Persons into whose hands this Prospectus comes are required by the Issuer, the Seller, the Junior Notes Subscriber and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

On the Issue Date, the Notes may only be purchased by persons that are not "U.S. person" as defined in the U.S. Risk Retention Rules (the **Risk Retention U.S. Persons**). Consequently, except with the prior written consent of the Seller (a **U.S. Risk Retention Consent**) and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. persons" as defined in the U.S. Risk Retention Rules (**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. 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) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has undertaken that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any of the relevant Notes or distribution or publication of any prospectus, form of application, offering circular (including the 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 provided in the relevant Subscription Agreement, each of the Issuer, the Seller and the Joint Lead Managers has undertaken that it will not take any action to obtain permission for public offering of the relevant Notes in any country where action would be required for such purpose.

#### **Prohibition of Sales to EEA Retail Investors**

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented, warranted and agreed that, in relation to each Member State of the European Economic Area (**EEA**), it has not made and will not make an offer of the relevant Notes to the public in that relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Regulation or:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of the above:

- (a) the expression an **offer of the relevant Notes to the public** in relation to any relevant Notes in any relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe the relevant Notes;
- (b) The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor** means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4 (1) of Directive 2014/65/EU (**MiFID II**); or (b) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment. It should be remembered that the price of securities and the income from them can go down as well as up.**

#### **Prohibition of Sales to UK Retail Investors**

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom (**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 Commission Delegated Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**EUWA**);
  - (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; and
- (b) the expression an **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.

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

*provided that* no such offer of Notes referred to in (A) to (C) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (a) the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (b) the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

### **Other regulatory restrictions in the United Kingdom**

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, the **FSMA**) received by it in connection with the issue or sale of the relevant Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the relevant Notes, as applicable in, from or otherwise involving the United Kingdom.

### **United States**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person except in accordance with Regulation S under the Securities Act or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder. Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented, warranted and agreed that it has not offered or sold the relevant Notes and will not offer or sell any relevant Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act.

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and agreed that neither it, nor its affiliates, nor any persons acting

on its or their behalf have engaged or will engage in any directed selling efforts with respect to the relevant Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the relevant Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute, any relevant Notes or any copy of the Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of Article 1, paragraph 1, letter t) of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time (the **Italian Financial Act**), unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of this Prospectus or any other offering material relating to the Notes may only be distributed in Italy:

- (a) to "qualified investors" (*investitori qualificati*), pursuant to Article 100 of the Italian Financial Act and Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **CONSOB Regulation**); or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Financial Act and Article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Italian Banking Act; and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### **France**

Each of the Issuer, the Seller and the Joint Lead Managers, under the Senior Notes and Mezzanine Notes Subscription Agreement, and each of the Issuer and the Junior Notes Subscriber, under the Junior Notes Subscription Agreement, has represented and agreed that:

- (a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the relevant Notes to the public in the Republic of France;
- (b) offers, sales and transfers of the relevant Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*), other than individuals, *provided that* such investors are acting for their own account and/or to persons providing portfolio management financial services (*personnes*

*fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Article L. 411-2 and Article D. 411-1 of the French Monetary and Financial Code; and

- (c) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the relevant Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

In accordance with the provisions of Article L. 214-170 of the French Monetary and Financial Code, the Notes may not be sold by way of unsolicited calls (*démarchage*) save with qualified investors within the meaning of Article L. 411-2 of the French Monetary and Financial Code.

### **Spain**

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the securities market law), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2023, together with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Luxembourg Stock Exchange. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the specified offices of the Representative of the Noteholders.

Copies of following documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange at the following links:

- (a) <https://dl.luxse.com/dlp/109a400c7fcde0431ebba70e6afc4f0cda>, for the Financial statements of the Issuer;
- (b) <https://dl.luxse.com/dlp/10bf1eb86a3f2742cc95adadfdb3c7fa05>, for the relevant independent auditor's report.

The table below sets out the relevant page references for the financial statements of the Issuer for the financial year ended 31 December 2023.

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## GLOSSARY OF TERMS

*These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

**ABCP EU STS Requirements** means the requirements set forth under Article 24 (*Requirements for simple, transparent and standardised ABCP securitisation - Transaction-level requirements*) of the EU Securitisation Regulation.

**Account Bank** means BNP Paribas or any other entity acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

**Additional Portfolio** means each additional portfolio of Receivables that may be assigned by the Seller to the Issuer after the Initial Portfolio, pursuant to the terms of the Master Receivables Transfer Agreement.

**Adjusted Available Collections** means any Collection after being subject to an adjustment pursuant to the terms of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

**Affected Receivable** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Aggregate Portfolio** means, on any given date, all the Receivables comprised in the Initial Portfolio and in all the Additional Portfolios assigned by the Seller to the Issuer up to any such date, pursuant to the terms of the Master Receivables Transfer Agreement.

**Aggregate Interest Amount** has the meaning ascribed to such term in Condition 5.4 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Amortisation Event** means any of the following events:

- (a) a Sequential Redemption Event occurs; or
- (b) a Servicer Termination Event occurs; or
- (c) the Default Ratio Rolling Average, calculated on the relevant Calculation Date, is higher than 0.5%; or
- (d) the Delinquency Ratio for the immediately preceding Collection Period, calculated on the relevant Calculation Date, is higher than 5%; or
- (e) on any Payment Date, a debit balance remains outstanding on the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, or the Class D Principal Deficiency Sub-Ledger following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments; or
- (f) on any Payment Date, the amount standing to the credit of the General Reserve Account is lower than the General Reserve Required Amount following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments; or
- (g) on any Payment Date, the Principal Available Distribution Amounts standing to the credit of the Collection Account after application of item Third of the Pre-Enforcement Principal Priority of Payments exceeds 10 per cent. of the Outstanding Balance of the Initial Portfolio as of the First Selection Date for 3 consecutive Purchase Dates; or
- (h) the Issuer delivers a notice of redemption after the occurrence of an Issuer Tax Event, pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Optional redemption for Issuer Tax Event*).



**Amortisation Event Notice** means the notice to be sent by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Seller, the Servicer and the Noteholders following the occurrence of an Amortisation Event.

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

**Amortisation Schedule** means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment or any renegotiation entered into by the Servicer in accordance with its Servicing Procedures, the interest rate of such Receivable being equal to the Contractual Interest Rate.

**Ancillary Right** means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and including) the relevant Selection Date, including, without limitation:

- (a) all related rights and claims in relation to the payment of any amount or indemnity in respect of damages suffered and costs, expenses, taxes and ancillary amounts;
- (b) all rights and claims in relation to payment of any other amount or sum due for any reason;
- (c) all the Seller's rights, title and interest in and to any security relating to such Receivable and Auto Loan Contract;
- (d) any related security (if any);
- (e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred from (and including) the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*); and
- (f) any indemnity right to be paid by the Insurance Companies under the Insurance Policies (if any).

**Arrangers** means Banco Santander, S.A. and BofA Securities and **Arranger** means each of them.

**Arrears Amount** means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Receivables when such Receivable is a Delinquent Receivable.

**Auto Loan** means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

**Auto Loan Contract** means any loan granted by the Seller to any Debtor for the purchase of a Car, including, for avoidance of doubt, any Standard Auto Loan Contract and any Balloon Auto Loan Contract.

**Available Collections** means:

- (a) all Collections; plus
- (b) any Non-Conformity Rescission Amount paid by the Seller in connection with the rescission and indemnification procedure as set forth in the Master Receivables Transfer Agreement in respect of Affected Receivables; plus

- (c) any Repurchase Amount paid by the Seller in relation to any Non-Permitted Renegotiation; plus
- (d) any amount received by the Issuer as purchase price for the sale of the Receivables pursuant to the Transaction Documents; plus
- (e) any Adjusted Available Collections; plus
- (f) any amount relating to any Prepayment, including, for the avoidance of doubt, any amount pursuant to the terms of the Servicing Agreement (meaning any amount due under the relevant Auto Loan Contract in respect of which the Debtor is released upon the exercise of the relevant Prepayment).

**Available Distribution Amounts** means, in relation to each Payment Date, the aggregate of all:

- (a) Interest Available Distribution Amounts; and
- (b) Principal Available Distribution Amounts.

**Back-up Servicer Implementation Event** means the failure by each of SFS Italia, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that:

- (a) as long as one of SFS Italia, BPF or SCF maintains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred; and
- (b) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of SFS Italia.

**Back-up Servicer** means the entity which shall be appointed as back-up servicer in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event, as provided for under the Servicing Agreement.

**Back-up Servicer Facilitator** means SCF acting as back-up servicer facilitator pursuant to the Intercreditor Agreement.

**Back-up Servicing Agreement** means the agreement to be entered into between the Issuer and the Back-up Servicer, if appointed as provided for under the Servicing Agreement, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Balloon Auto Loan Contract** means each Auto Loan Contract (including any VFG Balloon Auto Loan Contract and Final Instalment Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments for each phase of the amortisation plan, *provided that* there will be no more than two phases and a Balloon Instalment, namely "*VAC Balloon Non Fidelizzanti*" and "*VAC Balloon Fidelizzanti*" and **Balloon Auto Loan Contracts** means all of them.

**Balloon Instalment** means the final larger balloon instalment due under the Balloon Auto Loan Contracts and **Balloon Instalments** means all of them.

**Banco Santander** means Banco Santander, S.A., a banking entity incorporated under the laws of Spain, whose registered office is at Paseo de Pereda 9-12, Santander, Spain, registered with the Banco de España (Bank of Spain) under No. 0049, and with Tax Identification Code A-39000013.

**BNP Paribas** means BNP Paribas, a bank incorporated under the laws of France, having its registered office at Boulevard des Italiens, No. 16, 75002 Paris, France, acting through its Italian branch, whose office is at Piazza Lina Bo Bardi, No. 3, 20124 Milan, Italy.

**Board of Directors** has the meaning ascribed to such term in the Corporate Services Agreement.

**Board of Statutory Auditors** has the meaning ascribed to such term in the Corporate Services Agreement.

**BPF** means Banque PSA Finance, a *société anonyme* incorporated under the laws of France, whose registered office is located at 2, Boulevard de l'Europe, 78300 Poissy (France), registered with the Trade and Companies Registry of Paris (France) under No. 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

**BofA Securities** means BofA Securities Europe S.A., a company organised under the laws of France and registered at 51 rue La Boétie, 75008 Paris under No. 842 602 690 RCS Paris.

**Business Day** means any day, other than Saturday and Sunday, on which the T2 is open and on which banks are open for business in London, Luxembourg, Madrid, Milan, Paris and Turin.

**Calculation Agent** means Zenith or any other person acting as calculation agent pursuant to the Cash Allocation, Management and Payment Agreement, from time to time and any of its permitted successors or transferees.

**Calculation Amount** means € 1,000 in Principal Amount Outstanding upon issue.

**Calculation Date** means the 4<sup>th</sup> (fourth) Business Day before each Payment Date.

**Cancellation Date** means the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Servicer gives notice to the Issuer, the Representative of the Noteholders and the Noteholders that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising from an enforcement of the Note Security or otherwise) being available to the Issuer.

**Car** means, as the case may be, a New Car or a Used Car.

**Car Dealer** (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Stellantis network in Italy, or a car dealer being franchised with the Stellantis network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

**Car Manufacturer** means each manufacturer of Cars belonging to the car brands owned by Stellantis, from time to time.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Paying Agent and the Account Bank, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Cash Manager** means SFS Italia or any other person acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement and any of its permitted successors or transferees.

**Class A Noteholder** means any holder of the Class A Notes from time to time.

**Class A Notes** means the Euro 1,062,000,000 Series 2024-1 Class A Asset Backed Floating Rate Notes due December 2036.

**Class A Notes Interest Amount** means the Interest Amount due on each Class A Note on each Payment Date.

**Class A Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest -*

*Interest Rate and Variable Return*).

**Class A Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.

**Class B Noteholder** means any holder of the Class B Notes from time to time.

**Class B Notes** means the Euro 78,000,000 Series 2024-1 Class B Asset Backed Floating Rate Notes due December 2036.

**Class B Notes Interest Amount** means the Interest Amount due on each Class B Note on each Payment Date.

**Class B Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class B Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.

**Class C Noteholder** means any holder of the Class C Notes from time to time.

**Class C Notes** means the Euro 34,800,000 Series 2024-1 Class C Asset Backed Floating Rate Notes due December 2036.

**Class C Notes Interest Amount** means the Interest Amount due on each Class C Note on each Payment Date.

**Class C Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class C Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.

**Class D Noteholder** means any holder of the Class D Notes from time to time.

**Class D Notes** means the Euro 25,200,000 Series 2024-1 Class D Asset Backed Floating Rate Notes due December 2036.

**Class D Notes Interest Amount** means the Interest Amount due on each Class D Note on each Payment Date.

**Class D Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class D Principal Deficiency Sub-Ledger** means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.

**Class E Noteholder** means any holder of the Class E Notes from time to time.

**Class E Notes** means the Euro 13,200,000 Series 2024-1 Class E Asset Backed Floating Rate Notes due December 2036.

**Class E Notes Interest Amount** means the Interest Amount due on each Class E Note on each Payment Date.

**Class E Notes Interest Rate** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Class E Notes Target Amortisation Amount** means an amount equal to the minimum of (i) the Principal Amount Outstanding of the Class E Notes, and (ii) the Interest Available Distribution Amounts after application of item *Sixteenth* of the Pre-Enforcement Interest Priority of Payments.

**Class Z Noteholder** means any holder of the Class Z Notes from time to time.

**Class Z Notes** means the Euro 2,300,000 Series 2024-1 Class Z Asset Backed Variable Return Notes due December 2036.

**Class, Class of Notes or Class of Noteholders** will be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class Z Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

**Clean Up Event** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Clean Up Option** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Clean Up Option Date** has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Optional redemption for Clean Up Event*).

**Collateral Account** means the Euro denominated account established in the name of the Issuer with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Collateral Aggregate Portfolio** means, on any given date, the aggregate of all Receivables comprised in the Aggregate Portfolio, other than any Defaulted Receivables as of the relevant date.

**Collateral Amounts** means any collateral consisting of cash standing to the credit of the Collateral Account.

**Collection Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Collection Period** means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), *provided that* the first Collection Period shall be the period comprised between the First Selection Date (excluded) and the First Determination Date (included).

**Collections** means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) received by the Servicer in relation to the Receivables (other than the Defaulted Receivables), including, for avoidance of doubt, with reference to the VFG Balloon Auto Loan Contracts, the payments made by the Car Dealers or the Car Manufacturers in relation to the Balloon Instalments.

**Commercial Debtor** means each Debtor which is not a Private Debtor.

**Conditions** means these terms and conditions of the Notes and **Condition** means any article of the Conditions.

**Confidential Information** means any information relating to the commercial activities, the financial situation or any other matter of a confidential nature concerning any party and any other term or condition of any Transaction Document.

**Connected Third Party Creditor** means any third party creditor of the Issuer other than the Noteholders and the Other Issuer Secured Creditors.

**Consumer Code** means the Legislative Decree No. 206 of 6 September 2005, as amended and supplemented

from time to time.

**Constant Prepayment Rate** means the annual equivalent rate of the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

- (a) "A" is the aggregate prepayment amounts of Performing Receivables during the immediately preceding Collection Period; and
- (b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

**Consumer Credit Legislation** means the Consumer Code, the provisions regarding consumer credit regulated by Articles 121 to 128 of the Italian Banking Act and all other applicable legal and implementing regulatory provisions applying to consumers.

**Contracts Eligibility Criteria** means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 1 (*Contracts Eligibility Criteria*) of the Master Receivables Transfer Agreement.

**Contractual Interest Rate** means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Debtor.

**Corporate Servicer** means Zenith or any other person acting as corporate servicer pursuant to the Corporate Services Agreement from time to time, and any of its permitted successors or transferees.

**Corporate Services Agreement** means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**CRA Regulation** means the EU CRA Regulation or the UK CRA Regulation (as the case may be).

**CRA 3 Regulation** means Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013, as amended and supplemented from time to time.

**CRR** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, referred to as the Capital Requirements Regulation (as amended, supplemented and/or replaced from time to time).

**CRR Amendment Regulation** means Regulation (EU) No. 2401 of 12 December 2017 amending the CRR.

**CRR Assessment** means the assessment of the compliance of the Notes with the relevant provisions of Article 243 of the CRR carried out by PCS.

**Cumulative Loss Ratio** means, with reference to the last day of each Collection Period, the ratio expressed as a percentage between:

- (a) the aggregate of the Outstanding Balance of the Defaulted Receivables during the period from the First Purchase Date until the last day of each relevant Collection Period reduced by the amount of the Recoveries received in respect of the Defaulted Receivables during such period; and
- (b) the aggregate Outstanding Balance of the Initial Portfolio, as at the relevant Selection Date.

**DBRS** or **Morningstar DBRS** means (i) for the purpose of identifying which DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH and any of its successors in this rating activity, and (ii) in any other case, any entity that is part of Morningstar DBRS.

**DBRS Equivalence Chart** means the DBRS rating equivalent of any of the below ratings by Fitch or Moody's:

<b>DBRS</b>	<b>Moody's</b>	<b>Fitch</b>
AAA	Aaa	AAA
AA(high)	Aa1	AA+
AA	Aa2	AA
AA(low)	Aa3	AA-
A(high)	A1	A+
A	A2	A
A(low)	A3	A-
BBB(high)	Baa1	BBB+
BBB	Baa2	BBB
BBB(low)	Baa3	BBB-
BB(high)	Ba1	BB+
BB	Ba2	BB
BB(low)	Ba3	BB-
B(high)	B1	B+
B	B2	B
B(low)	B3	B-
CCC(high)	Caa1	CCC+
CCC	Caa2	CCC
CCC(low)	Caa3	CCC-
CC	Ca	CC
C	C	D

**DBRS Equivalent Rating** means:

- (a) if a Fitch public rating and a Moody's public rating are both available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower rating available; or
- (b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public ratings

by any of Fitch and Moody's are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

*provided that*, if only one or none of a Fitch public rating and a Moody's public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

**DBRS Minimum Rating** means:

- (a) if a Fitch public long term rating and a Moody's public long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and
- (b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but Public Long Term Ratings by any one of Fitch and Moody's are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (*provided that* if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Debtor** means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

**Decree 239** means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

**Decree 239 Withholding** means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

**Deed of Assignment** means the deed of assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders and governed by English law, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Default Date** means the date on which a Receivable becomes a Defaulted Receivable.

**Default Ratio** means, with reference to the last day of each Collection Period during the Revolving Period, the ratio expressed as a percentage between (i) the Defaulted Amounts with reference to the relevant Collection Period (excluding, for the avoidance of doubt, any Receivables which have become Defaulted Receivables before such Collection Period) and (ii) the aggregate Outstanding Balance of all Receivables as at the last day of the immediately preceding Collection Period, as determined by the Servicer in the Monthly Servicing Report.

**Default Ratio Rolling Average** means, with reference to the last day of each Collection Period during the Revolving Period, the average of the Default Ratio for the three immediately preceding Collection Periods as determined by the Servicer in the Monthly Servicing Report, *provided that*, as at the last day of the first Collection Period, it shall be equal to the Default Ratio for the relevant Collection Period, and as at the last day of the second Collection Period it shall be equal to the average of the Default Ratio for the two first Collection Periods.

**Defaulted Amount** means the Outstanding Balance of any Receivable that has become a Defaulted



Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

**Defaulted Receivable** means a Receivable which has been recorded by the Servicer as "in default" in accordance with Article 178 of the CRR (including, for the avoidance of doubt, any regulations and/or guidelines issued in respect thereof by any competent authorities), meaning that:

- (a) the Servicer considers the relevant Debtor is unlikely to pay its credit obligations, the parent undertaking or any of its subsidiaries in full, without recourse by the Servicer to actions such as realizing security; or
- (b) the relevant Debtor is past due more than 90 days on any of its material credit obligation.

**Defaulted Receivables Repurchase Price** means, in relation to any Defaulted Receivables, a fair market value price (taking into account the defaulted nature of the receivables) as determined by the Servicer being (A) not less than 25% of the aggregate of (i) its Defaulted Amount and (ii) any Arrears Amount at the date where the Receivable became a Defaulted Receivable and (B) not higher than 100% of the sum of (a) its Defaulted Amount and (b) any Arrears Amount at the date where the Receivable became a Defaulted Receivable.

**Delinquency Ratio** means, with reference to the last day of each Collection Period, the ratio expressed as a percentage between: (i) the aggregate of the Outstanding Balance of all the Receivables comprised in the Aggregate Portfolio which are Delinquent Receivables as at the last day of the relevant Collection Period, and (ii) the aggregate Outstanding Balance of all the Receivables comprised in the Collateral Aggregate Portfolio, as at the last day of the relevant Collection Period.

**Delinquency Ratio Rolling Average** means, with reference to the last day of each Collection Period, the average of the Delinquency Ratio for the three immediately preceding Collection Periods as determined by the Servicer in the Monthly Servicing Report; *provided that*, as at the last day of the first Collection Period, it shall be equal to the Delinquency Ratio for the relevant Collection Period and, as at the last day of the second Collection Period, it shall be equal to the average of the Delinquency Ratio for the two first Collection Periods.

**Delinquent Receivable** means any Performing Receivable in respect of which an amount is already overdue and not yet classified as Defaulted Receivable.

**Demonstration Car** means a Stellantis brand car produced at a Stellantis group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

**Determination Date** means the last day of each calendar month.

**EBA Guidelines on STS Criteria** means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*" or the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the EU Securitisation Regulation and named "*Guidelines on the STS criteria for ABCP securitisation*".

**Effective Interest Rate** means the annual rate of interest communicated by the Seller to the Calculation Agent and calculated so that when, in respect of an Instalment Due Date, its monthly equivalent is multiplied by the Outstanding Balance applicable from the previous Instalment Due Date (excluded) to such Instalment Due Date of each Receivable the amount so obtained is equal to interest component of the Instalment due by the Debtor.

**Eligibility Criteria** means the eligibility criteria relating to the Auto Loan Contracts, the Receivables and the Aggregate Portfolio set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

**Eligible Institution** means any depository institution organised under the laws of any State which is a member of the European Union or the United Kingdom or of the United States of America which has at least the following ratings:

- (a) "A" by DBRS with respect to the higher of (A) a rating one notch below the long-term critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A"; and
- (b) "F1" by Fitch with respect to the short-term deposit rating or, in case the deposit rating is not available, with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term deposit rating or, in case the deposit rating is not available, with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

**Eligible Investment** means:

- (a) any euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposit and certificate of deposit), commercial papers or other debt instruments (but excluding, for the avoidance of doubts, credit linked notes and money market funds), or
- (b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments, *provided that*:
  - (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;
  - (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment Maturity Date;
  - (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
  - (iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

*provided that*, in all cases:

- (a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;
- (b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;
- (c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; *provided that* in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and
- (d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as

applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:

- (i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
  - (ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and
- (e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
- (i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;
  - (ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at least two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

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

**Eligible Investment Maturity Date** means the Settlement Date immediately following the date on which the Eligible Investment was made.

**Enforcement Proceedings** means any judicial proceeding or any proceeding aimed at recovering any Receivable, including the enforcement of the Ancillary Rights.

**ESMA** means the European Securities and Markets Authority established by Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010, amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC.

**EU Benchmarks Regulation** means Regulation (EU) 2016/1011, as amended and/or supplemented from time to time.

**EU CRA Regulation** means the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, supplemented and integrated from time to time).

**EU MiFIR** means the Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May

2014 on markets in financial instruments (as amended, supplemented and integrated from time to time).

**EU PRIIPs Regulation** means the Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, supplemented and integrated from time to time).

**EU Prospectus Regulation** means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, supplemented and integrated from time to time).

**EU Securitisation Regulation** means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012.

**EU Securitisation Rules** means, collectively, (i) the EU Securitisation Regulation, (ii) the Regulatory Technical Standards, (iii) the EBA Guidelines on STS Criteria, (iv) the CRR Amendment Regulation, (v) the Solvency II Amendment Regulation, and (vi) any other rule or official interpretation implementing and/or supplementing the same.

**EU STS Requirements** means the Non-ABCP EU STS Requirements and the ABCP EU STS Requirements, collectively.

**EURIBOR** has the meaning given to such term in the Condition 5.2 (*Interest Rate and Variable Return*).

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

**Euronext Securities Milan** means Monte Titoli S.p.A., with registered office at Piazza degli Affari No. 6, 20123 Milan, Italy.

**Euronext Securities Milan Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

**EUWA** means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

**Execution Date** means 19 June 2024.

**Expenses Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

**Final Instalment Balloon Auto Loan Contract** means a Balloon Auto Loan Contract in respect of which the relevant Debtor has the obligation to pay the relevant Balloon Instalment and, upon request, may be granted an extension of the Auto Loan consequently dividing the payment of such Balloon Instalment into several additional instalments, in accordance with the relevant provisions of such contract.

**Final Maturity Date** means the final maturity date of the Notes, being the Payment Date falling in December 2036.

**Financed Services** means the services for the protection of the Car (i.e. Anti-theft, T&F insurance, replacement of the Car) the price of which is included in the relevant Instalment.

**First Determination Date** means 31 July 2024.

**First Interest Period** means the interest period from (and including) the Issue Date to (but excluding) the First Payment Date.

**First Payment Date** means the Payment Date falling in August 2024.

**First Purchase Date** means 19 June 2024.

**First Selection Date** means 17 of June 2024.

**Fitch** means (i) for the purpose of identifying which Fitch entity has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (*Sede secondaria Italiana*) and any of its successors in this rating activity, and (ii) in any other case, any entity that is part of Fitch Ratings' group.

**Foreclosure Proceedings** means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 3.2 (*Covenants – Further Securitisations*).

**GDPR** means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

**General Reserve** means the funds standing from time to time to the credit of the General Reserve Account.

**General Reserve Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**General Reserve Replenishment Amount** means, in respect of any Payment Date prior to the earlier of (i) the Cancellation Date, (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Class A Notes, the Class B Notes, the Class C Notes the Class D Notes and the Class E Notes and (iii) the Payment Date following the delivery of a Trigger Notice, the amount to be transferred to the General Reserve Account in order to bring the balance thereof up to (but not exceeding) the General Reserve Required Amount applicable on the relevant Payment Date.

**General Reserve Required Amount** means:

- (a) in respect of the Issue Date, an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as at the Issue Date; and
- (b) in respect of each Payment Date, an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as at the relevant Payment Date *provided that* such amount cannot be lower than an amount equal to 1.10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as at the Issue Date,

*provided that* on the earlier of (i) the Cancellation Date, (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (together with interest accrued thereon) and (iii) the Payment Date following the delivery of a Trigger Notice, the General Reserve Required Amount

will be reduced to 0 (zero).

**Global Portfolio Limits** means the global portfolio limits set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 3 (*Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

**Guarantor** means each person who has granted a related security or which assumed the obligations of a Debtor or of a Car Dealer arising from an Auto Loan Contract that with reference to a VFG Balloon Auto Loan Contract includes also a Car Manufacturer.

**Implementing Regulations** means any rules, regulations and guidelines issued by the Bank of Italy or any other public authority and which implement the Securitisation Law, as amended, supplemented and integrated from time to time.

**Independent Director** has the meaning ascribed to such term in the Corporate Services Agreement.

**Individual Purchase Price** means the purchase price of each Receivable, being equal to the Outstanding Balance of the relevant Receivable as at the relevant Selection Date (included).

**Information Date** means the date falling no later than 6 (six) Business Days following each Determination Date.

**Initial Interest Period** means the period comprised between (a) the Issue Date (included) and (b) the First Payment Date (excluded).

**Initial Portfolio** means the initial portfolio of Receivables assigned by the Seller to the Issuer, pursuant to the terms of the Master Receivables Transfer Agreement.

**Inside Information and Significant Event Report** means the report required to be delivered pursuant to Article 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation by the Seller pursuant to the Intercreditor Agreement.

**Insolvency Event** means in relation to a person any of the following:

- (a) *Inability to pay debts*: such person:
  - (i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or
  - (ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of Article 56 of the Italian Insolvency Code; or
  - (iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or
- (b) *Insolvency proceedings*: such person:
  - (i) is adjudicated or found insolvent; or
  - (ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or
  - (iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of

any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (i) or (ii) above.

**Insolvency Proceedings** means the judicial liquidation (*liquidazione giudiziale*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-insolvency proceedings (*concordato preventivo*), out-of court settlements with creditors (*accordi di ristrutturazione dei debiti and piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

**Insolvent** means a person which is subject to an Insolvency Event.

**Instalment Due Date** means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

**Instalment** means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be paid by the Debtor on each date on which such instalment is due and payable under that Auto Loan Contract.

**Insurance Company** means each of the insurance companies granting an Insurance Policy.

**Insurance Policy** means any insurance policy entered into by the Debtor in relation to a Receivable and/or an Auto Loan Contract.

**Intercreditor Agreement** means the intercreditor agreement entered into on or prior the Issue Date between the Issuer and the Other Issuer Secured Creditors as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Accrual** means, in respect of each Portfolio, the aggregate of the amount of interests accrued but unpaid up to (but excluding) the relevant Selection Date in respect of all the Receivables comprised in the relevant Portfolio and **Interest Accruals** means all of them.

**Interest Amount** has the meaning ascribed to such term in Condition 5.4 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Interest Amount Arrears** means any interest amount due in respect of any of the Senior Notes or the Mezzanine Notes (other than the Most Senior Class of Notes) which has remained unpaid on its due date and has been deferred pursuant to Condition 5.8 (*Interest Deferral*).

**Interest Available Distribution Amounts** means, in respect of any Payment Date, the aggregate of the following amounts (without double counting):

- (a) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period, net of any amount allocated pursuant to item (i) of the Principal Available Distribution Amounts in respect of such Payment Date;
- (b) any other interest amounts paid by the Seller to the Issuer under or with respect to the Master Receivables Transfer Agreement and any other interest amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, in each case as collected during the immediately preceding Collection Period;
- (c) the income received in respect of the Eligible Investments (if any) made, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;

- (d) the General Reserve in the following amounts:
- (i) on each Payment Date prior to the date identified under paragraph (ii) below, the General Reserve as at each such Payment Date in full; and
  - (ii) on the earlier of
    - (1) the Final Maturity Date;
    - (2) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and
    - (3) the Payment Date following the delivery of a Trigger Notice,the General Reserve as at each such Payment Date, in an amount (if any) equal to the positive difference (if any) between the following amounts as at such date: (A) the aggregate amounts payable under items *First* to *Sixteenth* of the Pre-Enforcement Interest Priority of Payments (with the exception of item *Tenth*) and (B) the Interest Available Distribution Amounts (net of the General Reserve);
- (e) all amounts of positive interest accrued and paid on the Issuer Accounts, other than the Expenses Account and the RSF Reserve Account, during the immediately preceding Collection Period, net of any applicable withholding or expenses;
- (f) payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period, excluding those amounts constituting Principal Available Distribution Amount and excluding any RSF Reserve Funding Advances;
- (g) any amounts received by the Issuer under the Interest Rate Swap Agreement and, only to the extent that an Interest Rate Swap Provider Default occurs, or when the early termination has been designated as a consequence of a "Termination Event" (as this term is defined in the Interest Rate Swap Agreement) in which the Interest Rate Swap Provider is the "Affected Party" (as this term is defined in the Interest Rate Swap Agreement) and the Interest Rate Swap Agreement is early terminated, the following amounts: (i) any amounts held by the Issuer as collateral; or (ii) if the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination is payable by the Issuer to the Interest Rate Swap Provider and the amounts held by the Issuer as collateral are higher than such amount, the amount of collateral held which exceeds the amount payable to the Interest Rate Swap Provider. For the avoidance of doubt, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination shall be paid by the Issuer to the Interest Rate Swap Provider using the Collateral Amounts held by the Issuer. In the event that such Collateral Amounts are not sufficient, the amount determined pursuant to Section 6 (e) of the ISDA Master Agreement in case of early termination (or the part of that amount not covered by the collateral held by the Issuer) shall be paid according to the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments, as applicable;
- (h) the interest component of the purchase price received by the Issuer in relation to the sale and/or repurchase of any Receivables (other than Defaulted Receivables) made during the immediately preceding Collection Period;
- (i) any Recoveries, including any purchase price received in relation to the sale and/or repurchase of any Defaulted Receivables, received by the Issuer in respect of any Defaulted Receivables during the Collection Period immediately preceding such Calculation Date;



- (j) any Principal Available Distribution Amounts to be allocated in or towards provision of the Interest Available Distribution Amounts on such Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments and the Transaction Documents;
- (k) on the Regulatory Call Early Redemption Date only, the Seller Loan Interest Redemption Amount;
- (l) the principal components received by the Issuer in respect of the Receivables described under item (a) of the Principal Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Principal Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item; and
- (m) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Distribution Amounts.

**Interest Determination Date** has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate and Variable Return*).

**Interest Period** means the First Interest Period and, thereafter, each period from (and including) a Payment Date to (but excluding) the immediately succeeding Payment Date.

**Interest Rate** has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

**Interest Rate Swap Agreement** means the interest rate swap agreement entered into on or about the Issue Date between the Issuer and the Interest Rate Swap Provider in the form of an International Swaps and Derivatives Association 2002 Master Agreement, together with the relevant Schedule, Credit Support Annex and confirmations thereunder, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Interest Rate Swap Calculation Agent** means Banco Santander or any other entity acting as interest rate swap calculation agent pursuant to the Interest Rate Swap Agreement from time to time, and any of its permitted successors or transferees.

**Interest Rate Swap Provider** means Banco Santander or any other entity acting as interest rate swap provider pursuant to the Interest Rate Swap Agreement from time to time, and any of its permitted successors or transferees.

**Interest Rate Swap Provider Default** means the occurrence of an "Event of Default" (as defined in the Interest Rate Swap Agreement) in respect of which the Interest Rate Swap Provider is the "Defaulting Party" (as defined in the Interest Rate Swap Agreement).

**Interest Rate Swap Provider Downgrade Event** means the circumstance that the Interest Rate Swap Provider or its credit support provider pursuant to the Interest Rate Swap Agreement (as applicable) ceases to have the initial or subsequent rating threshold required under the Interest Rate Swap Agreement.

**Investor Report** means the report required to be prepared and delivered by the Calculation Agent on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement in the form set out in Schedule 2 (*Form of Investor Report*) of the Cash Allocation, Management and Payment Agreement.

**ISDA Master Agreement** means the form of an International Swaps and Derivatives Association 2002 Master Agreement together with the relevant Schedule, entered into on or about the Issue Date between the Issuer and the Interest Rate Swap Provider.

**Issue Date** means 27 June 2024.

**Issue Price** means, in respect of all the Notes, 100% of their principal amount upon issue.

**Issuer Accounts** means the accounts opened in the name of the Issuer in the context of the Securitisation.

**Issuer** means Auto ABS Italian Stella Loans S.r.l. a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, quota capital of euro 10,000.00, fully paid up, registration in the Register of Enterprises of Milan – Monza Brianza – Lodi, Fiscal Code and VAT No. 12996670969 and enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy 12 December 2023 under No. 48475.8.

**Issuer Secured Creditors** means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Bank, the Corporate Servicer, the Quotaholder, the RSF Reserve Advance Provider, the Back-up Servicer Facilitator and the Arrangers.

**Issuer Tax Event** has the meaning ascribed to such term in Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*).

**Italian Banking Act** means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**Italian Civil Code** means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

**Italian Factoring Law** means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

**Italian Financial Act** means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**Italian Insolvency Code** means the Italian Legislative Decree No. 14 of 12 January 2019 (*Codice della crisi d'impresa e dell'insolvenza*), as amended, integrated and supplemented from time to time.

**Italian Privacy Law** means the Legislative Decree No. 196 of 30 June 2003 as amended and supplemented from time to time.

**Joint Lead Managers** means, collectively, Banco Santander, BofA Securities and Société Générale and **Joint Lead Manager** means each of them.

**Junior Noteholder** means the Holder of a Junior Note and **Junior Noteholders** means all of them.

**Junior Notes** means the Class Z Notes.

**Junior Notes Subscriber** means SFS Italia.

**Junior Notes Subscription Agreement** means the subscription agreement relating to the Junior Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Junior Notes Subscriber, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Master Receivables Transfer Agreement** means the master receivables transfer agreement entered into on the Execution Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Material Adverse Effect** means any event or circumstance or series of events or circumstances which is, or could reasonably be expected to be, materially adverse to:

- (a) the business, operations, or financial condition of the Seller or the Servicer insofar as it relates to the ability of the Seller or the Servicer to perform its obligations under any Transaction Document to which it is a party;
- (b) the legality, validity or enforceability of any Transaction Document to which the Seller or the Servicer is a party;
- (c) the collectability of more than 5% of the Performing Receivables.

**Mezzanine Noteholder** means the Holder of a Mezzanine Note and **Mezzanine Noteholders** means all of them.

**Mezzanine Notes** means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and **Mezzanine Note** means any of them.

**Monthly Scheduled Collection** means, in respect of any Collection Period, the aggregate amount of Instalments of all Performing Receivables to be paid during such Collection Period.

**Monthly Servicing Report** means the report required to be prepared and delivered by the Servicer on a monthly basis pursuant to the Servicing Agreement on or prior to each Information Date in the form set out in Schedule 3 (*Form of Monthly Servicing Report*) of the Servicing Agreement.

**Monthly Servicing Report Delivery Failure Event** means the event which will have occurred upon the Servicer's failure to deliver the Monthly Servicing Report on the relevant Information Date; *provided that* such event will cease to be outstanding when the Servicer delivers the Monthly Servicing Report.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means:

- (a) if any Class A Notes are outstanding, the Class A Notes;
- (b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes;
- (c) if any Class C Notes are outstanding and no Class A Notes and Class B Notes are outstanding, the Class C Notes;
- (d) if any Class D Notes are outstanding and no Class A Notes, Class B Notes and Class C Notes are outstanding, the Class D Notes;
- (e) if any Class E Notes are outstanding and no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, the Class E Notes; and
- (f) if any Class Z Notes are outstanding and no Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E are outstanding, the Class Z Notes.

**New Car** means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

**Nominal Amount** means, respectively, Euro 1,062,000,000 for the Class A Notes; Euro 78,000,000 for the Class B Notes; Euro 34,800,000 for the Class C Notes; Euro 25,200,000 for the Class D Notes; Euro 13,200,000 for the Class E Notes; and Euro 2,300,000 for the Class Z Notes.

**Non-ABCP EU STS Requirements** means the requirements set forth under Articles 19 to 22 (*Requirements for simple, transparent and standardised non-ABCP securitisation*) of the EU Securitisation Regulation.

**Non-Conformity Notice** means the notice by which it is communicated that a Receivable is an Affected Receivable.

**Non-Conformity Repurchase Date** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Non-Conformity Rescission Amount** means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with the terms of the Master Receivables Transfer Agreement.

**Non-Permitted Renegotiation** means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is (a) not a Permitted Renegotiation or/and (b) in breach of Clause 4.2 of paragraphs (i) and/or (ii) of the Servicing Agreement.

**Non-Permitted Renegotiation Repurchase Date** means the date as specified in the Master Receivables Transfer Agreement.

**Note Security** means the security interests created under the Security Document and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Secured Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Secured Creditors.

**Noteholder** means, at any time, the holder of any Note.

**Notes** means, collectively, the Senior Notes, the Mezzanine Notes and the Junior Notes.

**Notification Event** means the occurrence of a Servicer Termination Event.

**Obligor** means any Debtor, Car Dealer and/or Guarantor.

**Offer File** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Official Gazette Notice of Assignment** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Organisation of the Noteholders** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders

**Other Issuer Secured Creditors** means the Issuer Secured Creditors other than the Noteholders.

**Other Rights** has the meaning ascribed to such term in the Master Receivables Transfer Agreement.

**Outstanding Balance** means, in respect of a Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable Amortisation Schedule of such Receivable on such date.

**Paying Agent** means BNP Paribas any entity appointed or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time, and any of its permitted successors or transferees.

**Payment Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, or such other substitute account as may be opened with any other Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement.

**Payment Date** means, in respect of any principal and/or interest payment in respect of the Notes, the First Payment Date and, thereafter, the 29<sup>th</sup> calendar day of each month or the following Business Day if that day is not a Business Day, except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Business Day.

**PCS** means Prime Collateralised Securities (PCS) EU SAS.

**Performing Receivable** means any Receivable which is not a Defaulted Receivable.

**Permitted Renegotiation** means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, *provided that* the same are made in accordance with and subject to the Servicing Agreement:

- (a) without prejudice for letter (e) below, a modification of the Instalment Due Date of the relevant Auto Loan Contract such that the modified Instalment Due Date falls within the same calendar month;
- (b) any amendment in view to correct a manifest error during the life of the Auto Loan Contract or something that was not properly done at the time of origination of the Auto Loan Contract;
- (c) any amendment which is of a formal, minor or technical nature;
- (d) any amendment required by law or to reflect any guidance or pronouncement issued by any competent administrative, regulatory or judicial public authority or conventions or arrangements of institutional or trade associations;
- (e) with reference to the Balloon Auto Loan Contracts, any refinancing of the relevant Balloon Auto Loan Contracts in the event that the Debtor decides to refinance the Balloon Instalment therein, including, among others, to negotiate a new amortisation plan, or any other potential changes under the Balloon Auto Loan Contracts, *provided that* (i) the maturity date of the relevant Balloon Auto Loan Contracts, as refinanced, does not exceed 72 (seventy two) months from the date of execution of the relevant Balloon Auto Loan Contract, and (ii) the interest rate of the refinanced Balloon Instalment is a fixed rate equal to at least 4.5%.

**Portfolio** means the Initial Portfolio or any Additional Portfolio, as the case may be, and **Portfolios** means all of such portfolios, collectively.

**Post-Enforcement Priority of Payments** means the post-enforcement priority of payments as set forth under Condition 4.4 (*Order of priority - Post-Enforcement Priority of Payments*).

**Pre-Enforcement Interest Priority of Payments** means the pre-enforcement interest priority of payments as set forth under Condition 4.1 (*Order of priority - Pre-Enforcement Interest Priority of Payments*).

**Pre-Enforcement Principal Priority of Payments** means the pre-enforcement principal priority of payments as set forth under Condition 4.2 (*Order of priority - Pre-Enforcement Principal Priority of Payments*).

**Prepayment** means any prepayment, made in whole or in part (including any prepayment indemnities), by any Debtor in respect of a Performing Receivable subject to the applicable provisions of the Auto Loan Contracts.

**Previous Securitisation** means the previous securitisation of receivables arising out of auto loans originated by SFS Italia effected by the Issuer in 2023 through the issuance of the following asset-backed notes: (i) Euro 660,000,000 Class A Asset Backed Floating Rate Notes due October 2039; (ii) Euro 42,000,000 Class B Asset-Backed Floating Rate Notes due October 2039; (iii) Euro 17,250,000 Class C Asset-Backed Floating Rate Notes due October 2039; (iv) Euro 30,750,000 Class D Asset-Backed Floating Rate Notes due October 2039; (v) Euro 10,500,000 Class E Asset-Backed Floating Rate Notes due October 2039; and (vi) Euro 1,000,000 Class Z Asset-Backed Variable Return Notes due October 2039.

**PRIIPs Regulation** means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended and/or supplemented from time to time.

**Privacy Authority** means the Italian data protection authority (*Autorità Garante della Privacy*).

**Principal Addition Amounts** means, on each Calculation Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax*

*Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*) on which the Calculation Agent determines that a Senior Expenses Deficit would occur on the immediately following Payment Date, the amount of Principal Available Distribution Amounts (to the extent available) equal to the lesser of:

- (a) the amount of Principal Available Distribution Amounts available for application pursuant to the Pre-Enforcement Principal Priority of Payments on the immediately following Payment Date; and
- (b) the amount of such Senior Expenses Deficit.

**Principal Amount Outstanding** means, on any date, with reference to a Note or a Class of Notes, the nominal principal amount of such Note on the Issue Date, less the aggregate amount of all Principal Payments that have been made in respect of that Note up to any such given date.

**Principal Available Distribution Amounts** means in respect of any Payment Date, the aggregate of the following amounts (without double counting):

- (a) the principal components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio during the immediately preceding Collection Period and net of any amount allocated pursuant to item (j) of the Interest Available Distribution Amounts in respect of such Payment Date;
- (b) the amounts allocated under item *Eleventh* of the Pre-Enforcement Interest Priority of Payments out of the Interest Available Distribution Amounts;
- (c) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items *Second* and *Third*, of the Pre-Enforcement Principal Priority of Payments, if any;
- (d) payments made to the Issuer by the Seller pursuant to the Master Receivables Transfer Agreement during the immediately preceding Collection Period in respect of indemnities or damages for breach of representations or warranties;
- (e) the principal component of the purchase price received by the Issuer in relation to the sale and/or repurchase of any Receivables (other than Defaulted Receivables) made in accordance with the Master Receivables Transfer Agreement during the immediately preceding Collection Period;
- (f) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such date (net of an amount equal to any accrued and unpaid expenses and any expenses falling due after such Payment Date which will be retained in the Expenses Account);
- (g) on the earlier of
  - (i) the Final Maturity Date;
  - (ii) the Payment Date on which there will be sufficient Available Distribution Amounts (including the General Reserve) to redeem in full the Senior Notes and the Mezzanine Notes and discharge and any other payment ranking in priority to or *pari passu* therewith in accordance with the Priority of Payments including, for the avoidance of doubt, paying any Interest Amount Arrears; and
  - (iii) the Payment Date following the delivery of a Trigger Notice,

the General Reserve as at each such Payment Date in full, net of the amount (if any) identified under paragraph (d)(ii) of the definition of "*Interest Available Distribution Amounts*".

- (h) on the Regulatory Call Early Redemption Date only, the Seller Loan Principal Redemption Amount, which will be applied solely in accordance with item *Fifth* of the Pre-Enforcement Principal Priority of Payments on such Regulatory Call Early Redemption Date; and
- (i) the interest components received by the Issuer in respect of the Receivables (other than Defaulted Receivables) described under item (a) of the Interest Available Distribution Amounts, in the amount needed and available so as to recover any funds erroneously allocated in or towards provision of the Interest Available Distribution Amounts on any preceding Payment Date and not yet recovered pursuant to this item.

**Principal Deficiency Ledger** means the principal deficiency ledger comprising the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger and the Class D Principal Deficiency Sub-Ledger maintained by the Calculation Agent on behalf of the Issuer.

**Principal Payment** has the meaning ascribed to such term in Condition 6.6 (*Redemption, Purchase and Cancellation - Calculations and Determinations*), letter (d).

**Priority of Payments** means, as the case may be, the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.

**Private Debtor** means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*).

**Pro-Rata Amortisation Period** means the period starting from (and including) after the end of the Revolving Period (unless a Sequential Redemption Notice has been delivered during the Revolving Period) and ending on (and including) the earlier of (i) the Cancellation Date, (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full, and (iii) the date on which a Sequential Redemption Notice is served on the Issuer.

**Prospectus** means the prospectus prepared by the Issuer in connection with the issue of the Notes.

**Prospectus Regulation** means the EU Prospectus Regulation or the UK Prospectus Regulation (as the case may be).

**Province** means the Italian province where the Debtor is resident or, in the case of a company, has its registered office.

**Purchase Date** means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

**Purchase Price** means the purchase price of each Portfolio, being equal to the aggregate of the Individual Purchase Prices of all the relevant Receivables comprised in the relevant Portfolio.

**Quota** means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

**Quotaholder** means the holder of the Quota, being, as at the Issue Date, SPE Management 2.

**Quotaholder's Agreement** means the quotaholder's agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**PRIIPs Regulation** means the EU PRIIPs Regulation or UK PRIIPs Regulation (as the case may be).

**Rated Notes** means, collectively, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**Rating Agencies** means Fitch and DBRS.

**Receivable** means all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with an Auto Loan Contract, including, without limitation:

- (a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan Contract (including those in relation to the Financed Services thereunder);
- (b) all rights and claims in relation to the payment of all interest, including default interest, under such Auto Loan Contract, including those in relation to the Financed Services thereunder, but excluding the amount of interests accrued but unpaid up to the relevant Selection Date (excluded) in respect of such Receivable;
- (c) all the relevant Ancillary Rights; and
- (d) for the avoidance of doubt, with reference to the VFG Balloon Auto Loan Contract, all rights and claims towards the relevant Car Dealer and Car Manufacturer for the payment of the VFG Balloon Instalments upon exercise of the relevant contractual option by the Debtor pursuant to the relevant VFG Balloon Auto Loan Contract.

**Receivables Eligibility Criteria** means the eligibility criteria set out in the Master Receivables Transfer Agreement.

**Recoveries** means all amounts recovered in respect of the Defaulted Receivables (including any proceeds from the disposal of the financed Car(s) and any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies).

**Regulation 13 August 2018** means the resolution issued by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

**Regulatory Call Allocated Principal Amount** means, with respect to any Regulatory Call Early Redemption Date:

- (a) the Principal Available Distribution Amounts (including, for the avoidance of doubt, the amounts set out in item (h) of such definition) available to be applied in accordance with the Pre-Enforcement Principal Priority of Payments on such date; minus
- (b) all amounts of Principal Available Distribution Amounts to be applied pursuant to item *First to Fourth* (inclusive) of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Regulatory Call Early Redemption Date** has the meaning ascribed to such term in Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

**Regulatory Call Event** means:

- (a) an enactment or implementation of, or supplement or amendment to, or change in, any applicable law, policy, rule, guideline or regulation of any competent international, European or national body (including the European Central Bank, the Prudential Regulation Authority, the Bank of Italy or any other competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline; or
- (b) a notification by or other communication from an applicable regulatory or supervisory authority is received by the Seller with respect to the Securitisation,

which, in either case, occurs on or after the Issue Date and results in, or would in the reasonable opinion of



the Seller (and as certified by the Seller to the Issuer and to the Representative of the Noteholders) result in, a material adverse change in the capital treatment of the Notes or the capital relief afforded by the Notes or materially increasing the cost or materially reducing the benefit of the Securitisation, in either case, for the Seller or its affiliates, pursuant to applicable capital adequacy requirements or regulations as compared with the capital treatment or relief reasonably anticipated by the Seller on the Issue Date. It is understood that the declaration of a Regulatory Call Event will not be prevented by the fact that, prior to the Issue Date (i) the event constituting any such Regulatory Call Event was announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the European Central Bank, the Prudential Regulation Authority or the European Union, or incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Issue Date, or expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Call Event or (ii) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than the Securitisation. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the capital treatment of the Notes or the capital relief afforded by the Notes for the Seller or its affiliates or an increase of the cost or reduction of benefits to the Seller or its affiliates of the Securitisation immediately after the Issue Date.

**Regulatory Call Priority of Payments** means the order of priority set out in Condition 4.3 (*Order of Priority - Regulatory Call Priority of Payments*), pursuant to which the Regulatory Call Allocated Principal Amount shall be applied on the Regulatory Call Early Redemption Date.

**Regulatory Redemption Notice** means the notice delivered by the Issuer upon the occurrence of a Regulatory Call Event, in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*).

**Regulatory Technical Standards** means the regulatory or implementing technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation

**Relevant Minimum Rating** means the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB by Fitch and BB by DBRS.

**Replacement Servicing Costs** means all fees, costs, expenses and taxes due and payable to any Successor Servicer and/or in connection with its appointment (with the exclusion of any income tax or other general tax due in the ordinary course of business).

**Reporting Entity** means the Seller or any other entity acting, from time to time, 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 or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements, the Conditions and the Rules of the Organisation of the Noteholders from time to time, and any of its permitted successors or transferees.

**Repurchase Amount** means, in relation to Receivables (other than the Defaulted Receivables) to be retransferred by the Issuer to the Seller in the circumstances provided for under the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables (other than the Defaulted Receivables) as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Receivables (other than the Defaulted Receivables).

**Repurchase Determination Date** means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under the Master Receivables Transfer Agreement).

**Repurchase Price** means, in relation to any Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

- (a) for a Performing Receivable, the sum of:
  - (i) its Outstanding Balance, as of the relevant Repurchase Determination Date,
  - (ii) any interest accrued but unpaid as of such Repurchase Determination Date; and
  - (iii) any due but unpaid balance and other ancillary amounts in respect of such Receivable as of such Repurchase Determination Date; and
- (b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

**Repurchase Price Interest Component** means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

**Repurchase Price Principal Component** means, in relation to any Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

- (a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and
- (b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and
- (c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

**Required Replacement Servicer Fee Reserve Amount** means, as of any date of determination:

- (a) prior to the occurrence of an RSF Reserve Funding Trigger Event, zero; and
- (b) following the occurrence of an RSF Reserve Funding Trigger Event, as of any date of determination, an amount equal to the product of (i) 1.0% and (ii) the remaining weighted average life of the Performing Receivables, assuming a 0.0% CPR and a 0.0% CDR, and (iii) the aggregate Outstanding Balance of the Receivables, *provided that* it cannot be lower than Euro 300,000.

**Retail Customer** means a natural person or person or a small or medium-sized enterprise in accordance with Article 123 (a) of the CRR.

**Retention Amount** means (a) with reference to the Issue Date, an amount equal to Euro 2,300,000 and (b) with reference to each Payment Date after the Issue Date, an amount equal to Euro 40,000.

**Revolving Period** means the period from the Issue Date to (but excluding) the earlier of:

- (a) the Scheduled Revolving Period End Date;
- (b) the date on which an Amortisation Event occurs; and
- (c) the date on which a Trigger Event occurs.

**Risk Retention Regulatory Technical Standards** means Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 on supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders, and servicers, as mended and supplemented from time to time.

**RSF Reserve** means the funds standing from time to time to the credit of the RSF Reserve Account.

**RSF Reserve Account** means the account of the RSF Reserve Funder opened with Banco Santander, S.A. and having account number ES16 0049 5494 83 2010450425 as the same may be redesignated, substituted or replaced from time to time.

**RSF Reserve Advance Provider** means SCF.

**RSF Reserve Funding Advances** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Funding Failure** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Funding Trigger Event** means the earliest to occur of:

- (a) SCF ceasing to have a rating of at least BBB by Fitch for its long-term, unsecured, unsubordinated debt obligations; and/or
- (b) SCF ceasing to have a rating of at least BBB by DBRS for its long-term, unsecured, unsubordinated debt obligations, where SCF is not rated by DBRS, a DBRS Equivalent Rating of at least BBB; and/or
- (c) SCF ceasing to control either directly or indirectly the Servicer; and/or
- (d) a Servicer Termination Event.

**RSF Reserve Initial Funding Date** shall have the meaning ascribed to such term in the Intercreditor Agreement.

**RSF Reserve Shortfall Amount** means an amount equal to the difference between the fees and the costs to be paid and reimbursed to the Successor Servicer upon termination of the appointment of the Servicer pursuant to the Servicing Agreement and the then current Required Replacement Servicer Fee Reserve Amount.

**Rules** or **Rules of the Organisation of the Noteholders** means the rules of the Organisation of Noteholders set out in Schedule 1 of the Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

**SCF** means Santander Consumer Finance S.A., a credit entity incorporated under the laws of Spain, registered with the Bank of Spain under No. 8236 having its registered offices at Ciudad Grupo Santander, Avda. De Cantabria, s/n, 28660, Boadilla del Monte, Madrid, Spain and with Spanish Tax Identification No. (NIF) A-28122570.

**Scheduled Revolving Period End Date** means the Business Day immediately following the Payment Date falling in December 2024.

**Sec Reg Asset Level Report** means the report required to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Investor Report, through publication on the Securitisation Repository, to the Issuer, the Arrangers, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent pursuant to the Intercreditor Agreement.

**Sec Reg Investor Report** means the report required to be issued by the Calculation Agent, on behalf of the Seller, as Reporting Entity, on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the Securitisation Repository in the form set out in the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Asset Level Report.

**Sec Reg Report Date** means the date falling within one month following each relevant Payment Date, *provided that* the first Sec Reg Report Date will fall on 30 September 2024.

**Securities Account** means (if and when opened) the account in the name of the Issuer designated as such and held with an account bank that qualifies as an Eligible Institution, and any replacement thereof.

**Securitisation** means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

**Securitisation Assets** has the meaning ascribed to such term in Condition 2.2 (*Status, segregation and ranking - Segregation*).

**Securitisation Law** means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, [www.eurodw.eu](http://www.eurodw.eu)) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified by the Issuer to the investors in the Notes.

**Security** means the security interests created under the Security Document and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Secured Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Secured Creditors.

**Security Interest** means any mortgage, charge, pledge, lien, encumbrance, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

**Security Document** means the Deed of Assignment and any other security document which may be entered into in the context of the Securitisation in accordance with the Conditions.

**Selection Date** means the First Selection Date or any Subsequent Selection Date, as applicable.

**Seller** means SFS Italia.

**Seller Account** means the Euro-denominated account in the name of the Seller designated as such and held, as at the Issue Date, with UniCredit S.p.A., and any replacement thereof;

**Seller Loan** means a loan that, following the occurrence of a Regulatory Call Event, the Seller may elect to advance to the Issuer in accordance with the terms of the Intercreditor Agreement, for an amount equal to the Seller Loan Redemption Amount, to be applied by the Issuer in order to redeem the Class B Notes, the Class C Notes, the Class D Notes and, if applicable, the Class E Notes (in whole but not in part) at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon) in accordance with Condition 6.5 (*Redemption, Purchase and Cancellation – Optional redemption for regulatory reasons*), which satisfies the Seller Loan Conditions.

**Seller Loan Conditions** means the following conditions which shall apply to a Seller Loan:

- (a) the Seller Loan shall be advanced on equivalent economic terms, and to achieve the same economic effect, as the Transaction Documents;
- (b) the Seller Loan does not have a material adverse effect on the Senior Notes; and
- (c) the Seller Loan shall comply in all respects with the applicable requirements under EU Securitisation Regulation and Regulation (EU) 2017/2401.

**Seller Loan Interest Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding any Regulatory Call Early Redemption Date that is equal to the aggregate of the Repurchase Price Interest Component of the Receivables comprised in the Aggregate Portfolio as at such date.

**Seller Loan Principal Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding the Regulatory Call Early Redemption Date that is equal to (i) the Repurchase Price of the Receivables comprised under the Aggregate Portfolio, plus (ii) outstanding amount of the General Reserve; minus (iii) the Principal Amount Outstanding of the Class A Notes after application of item *Fourth* of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Seller Loan Redemption Amount** means the amount calculated with reference to the last day of the Collection Period immediately preceding the Regulatory Call Early Redemption Date that is equal to (i) the Repurchase Price of the Receivables comprised under the Aggregate Portfolio, plus (ii) outstanding amount of the General Reserve, less (iii) the Principal Amount Outstanding of the Class A Notes after application of item *Fourth* of the Pre-Enforcement Principal Priority of Payments on the Regulatory Call Early Redemption Date.

**Senior Expenses Deficit** means, on any Payment Date, an amount equal to any shortfall in the Interest Available Distribution Amounts available to pay items *First* to *Ninth* (inclusive) of the Pre-Enforcement Interest Priority of Payments.

**Senior Notes** means the Class A Notes and **Senior Note** means any of them.

**Senior Noteholder** means any holder of a Senior Note and **Senior Noteholders** means all of them, collectively.

**Senior Notes and Mezzanine Notes Subscription Agreement** means the subscription agreement relating to the Senior Notes and the Mezzanine Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Seller, the Arrangers and the Joint Lead Managers, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Sequential Redemption Event** means any of the events set out under Condition 6.7 (*Redemption, Purchase and Cancellation - Sequential Redemption Event*).

**Sequential Redemption Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Sequential Redemption Event, in accordance with Condition 6.7 (*Redemption, Purchase and Cancellation - Sequential Redemption Event*).

**Sequential Redemption Period** means, in respect of any Payment Date prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*) or Condition 6.3 (*Redemption, Purchase and Cancellation - Optional redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Optional redemption for Clean Up Event*), the period starting from (and including) the Payment Date immediately following the delivery of a Sequential Redemption Notice and ending on (and including) the earlier of (i) the Cancellation Date, and (ii) the Payment Date on which the Senior Notes and the Mezzanine Notes will be redeemed in full.

**Servicer Collection Account Bank** means UniCredit.

**Servicer Collection Account** means the new bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of Article 3, paragraph 2-ter of the Securitisation Law.

**Servicer** means SFS Italia or any other person acting as Servicer pursuant to the Servicing Agreement from time to time, and any of its permitted successors or transferees.

**Servicer Postal Account** has the meaning ascribed to such term in the Servicing Agreement.

**Servicer Termination Date** means the earlier of (i) the Cancellation Date and (ii) the date on which the cessation of the appointment of the Servicer has become effective in accordance with the terms of the Servicing Agreement.

**Servicer Termination Event** means each of the events set out in the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment.

**Servicing Agreement** means the servicing agreement entered into on the Execution Date between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Servicing Fees** means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement.

**Servicing Procedures** means the servicing procedures set out in the Servicing Agreement.

**Settlement Date** means the date falling 1 (one) Business Day before each Payment Date.

**SFS Italia** means Stellantis Financial Services Italia S.p.A., *a società per azioni*, incorporated under the laws of Italy whose registered office is located at Via Plava, 80, 10135, Turin, Italy.

**Société Générale**, a bank incorporated under the laws of the Republic of France as a public limited company (*société anonyme*), having its registered office at 29, Boulevard Haussmann, 75009 Paris, France, enrolment with the companies' register of Paris under no. 552120222.

**Solvency II Amendment Regulation** means the Commission Delegated Regulation (EU) No. 1221 of 1 June 2018 amending Delegated Regulation (EU) 2015/35 of 10 October 2014 as regards the calculation of regulatory capital requirements for securitisations and simple, transparent and standardised securitisations held by insurance and reinsurance undertakings.

**SPE Management** means Special Purpose Entity Management 2 S.r.l., a company incorporated under the laws of Italy, whose registered office is at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, registration with the Register of Enterprises of Milan – Monza – Brianza - Lodi, Fiscal Code and VAT No. 11068370961.

**Specified Event** means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

- (a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and
- (b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

**Standard Auto Loan Contract** means an Auto Loan Contract whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments for each phase of the amortisation plan, *provided that* there will be no more than two phases.

**Statutory Auditor** has the meaning ascribed to such term in the Corporate Services Agreement.

**Stock Exchange** means the Luxembourg Stock Exchange.

**STS** means simple, transparent and standardised within the meaning of Article 18 of the EU Securitisation Regulation.

**STS Assessments** means, collectively, the STS Verification and the CRR Assessment.

**STS Notification** means the notification sent by the Seller in respect of the Securitisation for the inclusion in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation.

**STS-Securitisation** means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the EU Securitisation Regulation.

**STS Verification** means the assessment of the compliance of the Securitisation with the EU STS Requirements, carried out by PCS.

**Subordinated Swap Amounts** other than any termination payment due by the Issuer to the Swap Counterparty under the terms of the Swap Agreement, following the occurrence of a Swap Trigger in relation to the Swap Counterparty.

**Subscription Agreements** means collectively the Senior Notes and Mezzanine Notes Subscription Agreement and the Junior Notes Subscription Agreement and **Subscription Agreement** means each of them.

**Subsequent Purchase Date** means the day falling one Business Day after the Subsequent Selection Date.

**Subsequent Selection Date** means, during the Revolving Period, the day falling no later than 6 (six) Business Days after the Information Date.

**Successor Servicer** has the meaning ascribed to such term in the Servicing Agreement.

**Swap Trigger** means either (i) an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement), or (ii) an Additional Termination Event (as defined in the Swap Agreement) which occurs as a result of the failure of the Swap Counterparty to comply with the requirements of a rating downgrade provision of the Swap Agreement.

**Tax** includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

**Traceability Law** has the meaning ascribed to such term in the Servicing Agreement.

**Transaction Documents** means:

- (a) the Master Receivables Transfer Agreement;
- (b) the Transfer Agreements;
- (c) the Servicing Agreement;
- (d) the Cash Allocation, Management and Payment Agreement;
- (e) the Intercreditor Agreement;
- (f) the Corporate Services Agreement;
- (g) the Quotaholder's Agreement;

- (h) the Deed of Assignment;
- (i) the Interest Rate Swap Agreement;
- (j) the Subscription Agreements;
- (k) the Conditions;
- (l) and any other deed, act, document or agreement executed by the Issuer in the context of the Securitisation.

**Transaction Party** means any party to the Transaction Documents.

**Transfer Acceptance** means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of Transfer Acceptance*) of the Master Receivables Transfer Agreement.

**Transfer Agreement** means each transfer agreement entered into between the Seller and the Issuer in connection with the sale of each Portfolio, comprising the relevant Transfer Offer and the relevant Transfer Acceptance, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Transfer Offer** means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in the Master Receivables Transfer Agreement.

**Trigger Event** means any of the events set out under Condition 10.1 (*Trigger Events - Trigger Events*).

**Trigger Notice** means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

**UK Affected Investors** means the CRR firms (as defined by Article 4(1)(2A) of the CRR, as it forms part of UK domestic law by virtue of the EUWA) and their relevant consolidated affiliates, wherever established or located, of such institutional investors.

**UK CRA Regulation** means the EU CRA Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

**UK MiFIR** means the EU MiFIR as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

**UK PRIIPs Regulation** means PRIIPs Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UK Prospectus Regulation** means the EU Prospectus Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UK Securitisation Regulation** means the EU Securitisation Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA, as amended and supplemented from time to time.

**UniCredit** means UniCredit S.p.A., a bank incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Piazza Gae Aulenti No. 3, Tower A, 20154 Milan, Italy, share capital of Euro 21,220,169,840.48, (fully paid-up), registration with the Register of Enterprises of Milan - Monza-Brianza-Lodi, Fiscal Code and VAT No. 00348170101, Parent Company of the UniCredit Banking Group, registered with Code 2008.1 with the Register of the Banking Groups held by the Bank of Italy pursuant to article 64 of the Italian Banking Act.

**Used Car** means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.



**Variable Return** means, in relation to the Junior Notes, on each Payment Date, an amount equal to any Available Distribution Amounts remaining after making all payments due under items from (1) *First to Twenty-fifth* (inclusive) of the Pre-Enforcement Interest Priority of Payments; (2) *First to Tenth* (inclusive) of the Pre-Enforcement Principal Priority of Payments; and (3) *First to Twenty-third* (inclusive) of the Post-Enforcement Priority of Payments, as the case may be.

**VFG Balloon Auto Loan Contract** means a Balloon Auto Loan Contract in respect of which the relevant Debtor has been granted with the option to either (i) pay the Balloon Instalment and retain the Car or (i) return the Car to the Dealer (either buying a new Car or not), whereupon the Balloon Instalment will be due by the Dealer.

**Winding-Up** means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

**Zenith** means Zenith Global S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Corso Vittorio Emanuele II, 24-28, 20122 Milan, Italy, fully paid share capital of Euro 2,000,000, fiscal code and enrolment with the Register of Enterprises of Milan - Monza Brianza - Lodi No. 02200990980, belonging to the Arrow Global VAT Group No. 11407600961, enrolled under No. 30 with the register of financial intermediaries ("*Albo Unico*") held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, ABI Code 32590.2.

## GENERAL INFORMATION

### 1. Authorisations

On the Issue Date, the Issuer will have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, including the authorisation of the Quotaholder.

### 2. Approval, listing and admission to trading

Application has been made to the *Commission de surveillance du secteur financier (CSSF)*, in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of the Prospectus Regulation and relevant implementing measures in Luxembourg and Article 6(4) of the Luxembourg Act. Application has also been made to the Luxembourg Stock Exchange for the Senior Notes and the Mezzanine Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. The listing of the Senior Notes and the Mezzanine Notes is expected to be granted on or about the Issue Date. By approving this Prospectus, CSSF shall give no undertaking as to the economic and financial opportuneness of the operation or the quality or solvency of the Issuer in accordance with the provisions of Article 6(4) of the Luxembourg Act. The CSSF has not reviewed nor approved any information regarding the Class Z Notes.

### 3. Clearing of the Notes

The Senior Notes and the Mezzanine Notes have been accepted for clearance through Euronext Securities Milan with the following ISIN Codes and Common Codes:

Class	ISIN Codes	Common Codes
Class A Notes	IT0005597452	285154057
Class B Notes	IT0005597460	285154090
Class C Notes	IT0005597478	285154111
Class D Notes	IT0005597486	285154120
Class E Notes	IT0005597494	285154448

The Class Z Notes have been accepted for clearance through Euronext Securities Milan and the ISIN Code is IT0005597502.

### 4. Issuer's audited annual financial statements

The Issuer was incorporated on 9 June 2023. Hence, since that date, only the Issuer's annual financial statements in respect of the year ended on 31 December 2023 have been approved, published and audited. Such audited annual financial statements, together with the relevant auditors' report thereon, the notes thereto and the relevant accounting principles in respect of the year ended on 31 December 2023 are deemed to be incorporated by reference in this Prospectus and copy of such documents may be obtained at the following links:

- (a) <https://dl.luxse.com/dlp/109a400c7fcde0431ebba70e6afc4f0cda>, for the Financial statements of the Issuer; and
- (b) <https://dl.luxse.com/dlp/10bf1eb86a3f2742cc95adadfdb3c7fa05>, for the relevant independent

auditor's report.

5. **No material adverse change**

Since the date of the Issuer's latest published audited financial statements, there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer.

6. **No material litigation**

Since the date of its incorporation (i.e. 9 June 2023), the Issuer has never been involved in any governmental, legal or arbitration proceedings which may have, or have had since such date of incorporation, a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened.

7. **No outstanding loan capital, borrowings, indebtedness or contingent liabilities**

As at the date of this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness, or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees, save for what discloses in this Prospectus.

8. **Information by the Seller**

The information set out in the sections headed "*The Aggregate Portfolio*", "*The Seller, the Servicer, the Cash Manager and the Junior Notes Subscriber*", "*Underwriting and Servicing Procedures*", "*Description of the Transaction Documents – Master Receivables Transfer Agreement*", "*Description of the Transaction Documents – Servicing Agreement*", the data used as assumptions to make the calculations contained in the section headed "*Estimated Maturity and Estimated Weighted Average Life of the Senior Notes and the Mezzanine Notes*" has been compiled by reference to information provided and/or published by the Seller.

9. **Information by the Account Bank and the Paying Agent**

The information regarding BNP Paribas set out in the section headed "*The Account Bank and the Paying Agent*" has been compiled by reference to information provided and/or published by BNP Paribas.

10. **Fees and expenses by the Issuer**

The estimated fees and expenses payable by the Issuer in connection with (i) the transaction described herein, amount to approximately Euro 160,000 *per annum* (VAT excluded), excluding the custody fee (if any) and the Servicing Fees payable in connection with the Eligible Investments, and (ii) the admission of the Senior Notes and Mezzanine Notes to trading, amount to approximately Euro 33,050 (plus VAT, if due), payable on the Issue Date.

11. **Documents available for inspection**

Copies of this Prospectus, the Transaction Documents and the following documents will be available, in electronic form, for inspection, and in the case of the reports referred to in paragraph (b) below for collection, on the Securitisation Repository, until the Final Maturity Date:

- (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;
- (b) copies of each Investor Report, the first of which will be available no later than the 5<sup>th</sup> Business Day following the First Payment Date (the Investor Report shall constitute post-issuance transaction information regarding the Notes), and copies of each Sec Reg Investor Report and of each Sec Reg Asset Level Report and the Inside Information and Significant Event Report,

to be prepared in accordance with the Transaction Documents;

(c) the documents incorporated by reference in this Prospectus.

The Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (<https://www.luxse.com/issuer/AutoABSStella/112914>), at which address shall remain publicly available in electronic form for at least the later of (i) 10 (ten) years from the date of this Prospectus; or (ii) as long as the Notes are outstanding.

The By-laws and Articles of Association of the Issuer will be also published on the following website: <https://www.stellantis-financial-services.it/sites/default/files/documents/2024-06/ATTO-5376-signed.pdf>.

Copies of the Transaction Documents (with the exception of the Subscription Agreements) and the Prospectus will be available also at the Securitisation Repository, at the latest 15 days after the Issue Date and after the relevant Payment Date in case of transfer of any Additional Portfolio, as the case may be. On this website also a full description of the Additional Portfolios purchased by the Issuer in the context of the Securitisation will be made available.

The Prospectus and the Transaction Documents (i.e. the Master Receivables Transfer Agreement, the Servicing Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Subscription Agreements, the Quotaholder's Agreement, the Interest Rate Swap Agreement and the Deed of Assignment) constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of Article 7(1), of the EU Securitisation Regulation.

**12. Website**

Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus as approved by the CSSF.

**13. No abuse of control**

Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and the Quotaholder in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

**14. No restrictions on the Seller**

There are no restrictions on the Seller acquiring the Notes and/or financing to or for third parties. Consequently, conflicts of interest may exist or may arise as a result of the Seller having different roles in this transaction and/or carrying out the other transactions for third parties.

**15. Foreign language text**

Any foreign language text included within this Prospectus is for convenience purposes only and does not form part of this Prospectus.

**16. Listing agent**

BNP Paribas, Luxembourg Branch is acting solely in its capacity as listing agent for the Issuer in connection with the Senior Notes and the Mezzanine Notes and is not itself seeking an admission of the Senior Notes and the Mezzanine Notes to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*".

**17. Credit ratings**

The credit ratings included or referred to in this Prospectus have been issued by DBRS, Fitch each of which is established in the European Union and each of which is registered under the EU CRA Regulation and is included, as of the date of this Prospectus, in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the website of the ESMA at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> (for the avoidance of doubt, such website does not constitute part of this Prospectus).

As at the date of this Prospectus, each of DBRS and Fitch is not established in the UK but the ratings assigned by each of such Rating Agencies are endorsed by Fitch Ratings Limited and DBRS Ratings Limited respectively, each of which is registered under the UK CRA Regulation, as evidenced in the latest update of the list published by FCA on its website (being, as at the date of this Prospectus, <https://register.fca.org.uk/s/>).

### **Transparency requirements under the EU Securitisation Regulation**

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third subparagraph of Article 27(1) of the EU Securitisation Regulation.

#### **18. Pre-pricing information**

As to pre-pricing information, under the Intercreditor Agreement the Seller has confirmed that it has made available to the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential 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 and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, (ii) through the section of this Prospectus headed "*The Aggregate Portfolio*" and the Securitisation Repository, data on static and 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, covering a period of at least 5 (five) years, pursuant to Article 22(1) and Article 24(14) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Prospectus, [www.bloomberg.com](http://www.bloomberg.com)) and Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.

#### **19. Post issuance reporting**

As to any post-issuance reporting, the Issuer will not provide any post-issuance reporting, except if required by any applicable laws and regulations. In particular, on each Calculation Date, the Calculation Agent shall deliver the Investor Report via electronic mail to the Issuer, the Account Bank, the Paying Agent, the Servicer, the Cash Manager, the Corporate Servicer, the Interest Rate Swap Provider, the Arrangers and the Rating Agencies and publish it on its website at <https://www.luxse.com/issuer/AutoABSStella/112914>.

#### **20. Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 81560077D223209D3A80.

21. **Transparency Directive**

The Issuer will elect Luxembourg as Home Member State for the purpose of Directive 2004/109/CEE (as amended and supplemented from to time, the **Transparency Directive**).

**ISSUER**

**Auto ABS Italian Stella Loans S.r.l.**  
 Corso Vittorio Emanuele II, 24-28  
 20122 Milan  
 Italy

**SELLER, SERVICER, CASH MANAGER AND JUNIOR NOTES SUBSCRIBER**

**Stellantis Financial Services Italia S.p.A.**  
 Via Plava, 80  
 Turin  
 Italy

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

**Zenith Global S.p.A.**  
 Corso Vittorio Emanuele II, 24-28  
 20122 Milan  
 Italy

**BACK-UP SERVICER FACILITATOR AND RSF RESERVE ADVANCE PROVIDER**

**Santander Consumer Finance S.A.,**  
 Ciudad Grupo Santander, Avda. De Cantabria, s/n,  
 28660,  
 Boadilla del Monte  
 Madrid  
 Spain

**INTEREST RATE SWAP PROVIDER**

**Banco Santander, S.A.**  
 Avda. De Cantabria s/n  
 Boadilla del Monte  
 28660 Madrid  
 Spain

**ACCOUNT BANK AND PAYING AGENT**

**BNP Paribas**  
 Piazza Lina Bo Bardi, No. 3  
 20124 Milan  
 Italy

**SERVICER COLLECTION ACCOUNT BANK**

**UniCredit S.p.A.**  
 Piazza Gae Aulenti No. 3, Tower A  
 20154 Milan  
 Italy

**QUOTAHOLDER**

**Special Purpose Entity Management 2 S.r.l.**  
 Corso Vittorio Emanuele II, 24-28  
 20122 Milan  
 Italy

**ARRANGERS**

**Banco Santander, S.A.**  
 Avda. De Cantabria s/n  
 Boadilla del Monte  
 28660 Madrid  
 Spain

**BofA Securities Europe SA**  
 51 rue La Boétie  
 75008 Paris  
 France

**JOINT LEAD MANAGERS**

**BofA Securities Europe SA**  
 51, rue La Boétie  
 75008 Paris  
 Republic of France

**Société Générale**  
 29, Boulevard Haussmann  
 75009 Paris  
 France

**Banco Santander, S.A.**  
 Avda. De Cantabria s/n  
 Boadilla del Monte  
 28660 Madrid  
 Spain

**LEGAL ADVISERS**

*To the Seller*  
**Hogan Lovells Studio Legale**  
 Via Santa Maria alla Porta 2  
 20123 Milan  
 Italy

*To the Arrangers and Joint Lead Managers*  
**Allen Overy Shearman Sterling Studio Legale**  
**Associato**  
 Via Ansperto No. 5  
 20123 Milan  
 Italy