AUTO ABS ITALIAN BALLOON 2019-1 S.R.L.

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

Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes due September 2034

Issue Price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by Auto ABS Italian Balloon 2019-1 S.r.l., a limited liability company organised under the laws of the Republic of Italy (the **Issuer**) of the Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes due September 2034 (the **Class A Notes**).

In connection with the issue of the Class A Notes, the Issuer will issue the Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes due September 2034 (the **Class B Notes** and, together with the Class A Notes, the **Notes**). The Class B Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class B Notes on any stock exchange.

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

This Prospectus is issued pursuant to article 2, paragraph 3, of Italian Law No. 130 of 30 April 1999 (as amended, the **Securitisation Law**) and article 5(3) of the Prospectus Directive in connection with the issuance of the Notes.

The Notes will have the following key characteristics:

Class	Principal amount upon issue	Interest rate	Issue Price (per cent.)	Ratings	Legal Final Maturity Date
A	Euro 554,400,000.00	0.60 per cent.	100	DBRS: AA (high) (sf)) Fitch: AA(sf)	September 2034
B	Euro 105,600,000	1.20 per cent.	100	Unrated	September 2034

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Notes will be held in dematerialised form on behalf of the ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. (**Monte Titoli**) for the account of the relevant Monte Titoli Account Holders. The expression **Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (**Clearstream**) and Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels, as operator of the Euroclear System (**Euroclear**). Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of Article 83-*bis* of Italian Legislative Decree No. 58 of 24 February 1998 and the resolution issued by the Bank of Italy and CONSOB on 13 August 2018 (**Regulation 13 August 2018**), as amended from time to time. No physical document of title will be issued in respect of the Notes.

The Notes will be subject to mandatory pro-rata redemption within each Class in whole or in part on each Payment Date (as defined below) during the Amortisation Period or the Accelerated Amortisation Period (each, as defined below). Unless previously redeemed in accordance with their applicable terms and conditions (the **Conditions**), the Notes will be redeemed at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Payment Date falling on September 2034 (the **Legal Final Maturity Date**). The Notes of each Class will be redeemed in the manner specified in Condition 6 (*Redemption, Purchase and Cancellation*). Before the Legal Final Maturity Date the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.3 (*Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Interest on the Notes will accrue on a daily basis from (and including) 18 July 2019 (the **Issue Date**) until its due date for redemption as provided in Condition 6 (*Redemption, Purchase and Cancellation*). Interest on the Notes will be payable in Euro monthly in arrears by reference to successive interest periods on each Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Payment Date shall be the Payment Date falling in September 2019 (the **First Payment Date**). Interest will accrue on the Principal Amount Outstanding of the Class A Notes at a rate of interest equal to 0.60 per cent. per annum (the **Class A Notes Interest Rate**). Interest will accrue on the Principal Amount Outstanding of the Class B Notes at a rate of interest equal to 1.20 per cent. per annum (the **Class B Notes Interest Rate**). In addition, subject to and in accordance with the Conditions, each holder of a Class B Note shall be entitled on each Payment Date to a *pro rata* share of the aggregate amount (if any) available under the applicable Priority of Payments to be paid as Variable Return (as defined herein).

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

The principal source of payment of interest and repayment of principal on the Notes will be from collections made in respect of receivables and connected rights (the **Portfolio**) arising from Auto Loans Contracts (*contratti di finanziamento per l'acquisto di autoveicoli*) originated and classified as performing by Banca PSA Italia S.p.A. (**BPSA**) and purchased (and to be purchased) by the Issuer in accordance to the terms of a master receivables transfer agreement entered into on 12 July 2019 between, *inter alios*, BPSA and the Issuer (the **Master Receivables Transfer Agreement**). In addition, pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, the Seller may transfer without recourse (*pro soluto*) to the Issuer, which may purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Italian Factoring Law referred to therein, Additional Receivables during the Revolving Period, provided that the Contracts Eligibility Criteria, the Receivables Eligibility Criteria and the Global Portfolio Limits are met. The Purchase Price for each Additional Receivable will be financed by the Issuer through the Available Distribution Amounts applicable for such payment in accordance with the Priority of Payments, subject to the provisions of the Master Transfer Agreement and the Conditions.

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

The Class A Notes are expected to be rated on issue "AA (high) (sf))" by DBRS Ratings Limited (**DBRS**) and "AA(sf)" by Fitch Ratings Limited (**Fitch** and, together with DBRS, the **Rating Agencies**). As of the date of this Prospectus, each of DBRS and Fitch is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the **CRA Regulation**) and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus). No rating will be assigned to the Class B Notes. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.**

The Class A Notes and the Class B Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any other jurisdiction. Accordingly, the Class A Notes and the Class B Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See section headed "*Subscription, Sale and Selling Restrictions*". As at the Issue Date the Seller will subscribe both the Class A Notes and the Class B Notes. Under the Intercreditor Agreement, the Seller has undertaken that it will: (i) 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 in accordance with option (d) of article 6, paragraph 3, of the Regulation (EU) No. 2017/2402 (the **Securitisation Regulation**) and the applicable Regulatory Technical Standards; (ii) not change the manner in which the net economic interest is held, unless expressly permitted under article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards; (iii) comply with the disclosure obligations imposed on originators under article 7, paragraph 1, letter (e)(iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards; and (iv) procure that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, provided that the Seller is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

Under the Intercreditor Agreement. the Seller has been designated as "Reporting Entity" pursuant to article 7 of the Securitisation Regulation (the **Reporting Entity**). After the Issue Date, the Calculation Agent will prepare the Sec Reg Investor Report wherein relevant information with regard to the Purchased 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 Securitisation Regulation. For more details on the information to be disclosed by the Reporting Entity please see the section of this Prospectus entitled "*Securitisation Regulation – Retention and Transparency Requirements*".

Each prospective investor is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with Article 5 of the Securitisation Regulation, and none of the Issuer, BPSA (in any capacity) nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of Article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of Regulation (EU) no. 2017/2402 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and will be notified by the Seller to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Seller has used the service of Prime Collateralised Securities (PCS) UK Limited ("PCS"), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS verification**"). It is expected that the STS verification prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.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 continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. None of the Issuer, BPSA (in any capacity under the Transaction Documents) the Reporting Entity, the Arranger, 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 Securitisation Regulation at any point in time in the future.

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

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

ARRANGER

Société Générale Corporate & Investment Banking

The date of this Prospectus is 16 July 2019

Responsibility for Information

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in respect of which each of BPSA, The Bank of New York Mellon SA/NV – Milan Branch (in its capacity as Italian Account Bank and Paying Agent) and Banco Santander, S.A. (in its capacity as Spanish Account Bank) accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Class A Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

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

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

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

Banco Santander, S.A. accepts, jointly with the Issuer, responsibility for the information relating to it as Spanish Account Bank included in this Prospectus in the section headed "The Spanish Account Bank". To

the best of the knowledge and belief of Banco Santander, S.A. (which has taken all reasonable care to ensure that such is the case), such information has been accurately reproduced from information published by Banco Santander, S.A., is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in the section headed "The Spanish Account Bank" has been provided solely by Banco Santander, S.A. for use in this Prospectus and Banco Santander, S.A. is solely responsible for the accuracy of the information in that section. Except for the section headed "The Spanish Account Bank", Banco Santander, S.A., in its capacity as Spanish Account Bank, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Representative of the Noteholders, BPSA (in any capacity), Zenith Service S.p.A., Banco Santander, S.A., The Bank of New York Mellon SA/NV – Milan Branch or any other person. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Class A Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, BPSA, Zenith Service S.p.A., Banco Santander, S.A., The Bank of New York Mellon SA/NV – Milan Branch or in any of the other information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof. No person other than the Issuer (or in the case of BPSA, Zenith Service S.p.A., Banco Santander, S.A. or The Bank of New York Mellon SA/NV – Milan Branch, solely to the extent described above) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.

Selling Restrictions

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

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

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

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the ***Securities Act****) and subject to certain exceptions, may not be offered, sold or delivered within*

the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Notes are in bearer and dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section headed "Subscription, Sale and Selling Restrictions").

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

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

Definitions

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

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

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OVERVIEW OF THE TRANSACTION

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

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

1. THE PRINCIPAL PARTIES

Issuer	**Auto ABS Italian Balloon 2019-1 S.r.l.**, a company incorporated under the laws of Italy as a limited liability company (*società a responsabilità limitata*) with sole quotaholder, whose registered office is at Via V. Betteloni, 2, 20131 Milan, Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Milan with VAT registration number 10763500963, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35598.2.
Seller, Servicer, General Reserve Subordinated Loan Provider, Cash Manager, Class A Notes Subsriber and Class B Notes Subscriber	**Banca PSA Italia S.p.A.**, a joint stock company (*società per azioni*), incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milan, Italy, with VAT registration number 08822460963, registered in the special register held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act (**BPSA**).
Corporate Servicer, Calculation Agent and Representative of the Noteholders	**Zenith Service S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via V. Betteloni No. 2, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Milano - Monza Brianza - Lodi number 02200990980, enrolled under number 30 with the new register of financial intermediaries ("*Albo Unico*") held by Bank of Italy pursuant to articles 106 of the Italian Banking Act (**Zenith**).
Back-Up Servicer Facilitator	**Santander Consumer Finance S.A.**, a banking entity incorporated under the laws of Spain, registered with the Banco de España (Bank of Spain) under No. 8236 having its registered offices at Boadilla del Monte, Madrid, 28660, Spain and Tax Identification Code A-28122570 (**SCF**).
Spanish Account Bank	**Banco Santander, S.A.**, a credit entity incorporated under the laws of Spain as a *sociedad anónima* whose registered office is at Paseo de Pereda 9-12, 39004 Santander (Spain), and whose operating headquarters are in Ciudad Grupo Santander, Avda. de Cantabria, s/n, 28660 Boadilla del Monte, Madrid (Spain), registered with the Bank of Spain under number 0049 and with Spanish Tax Identification Number (NIF) A-39000013 (**Banco Santander**).
Italian Account Bank and Paying Agent	**The Bank of New York Mellon SA/NV, Milan Branch**, a bank incorporated under the laws of Belgium, having its registered office

	at 46 Rue Montoyer, Montoyerstraat 46 - B-1000 Brussels, Belgium, acting through its Milan branch at via Mike Bongiorno 13, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 09827740961, enrolled as a "filiale di banca estera" under number 8070 and with ABI code 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Italian Banking Act (**BONY Milan Branch**) .
Servicer Collection Account Bank	**Intesa Sanpaolo S.p.A.**, a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Piazza San Carlo 156, 10121, Turin, Italy and secondary office at Via Monte di Pietà 8, 20121, Milan, Italy, incorporated with Fiscal Code number and registration number with the Turin Register of Enterprises 00799960158, VAT number 10810700152, and registered with the Bank of Italy pursuant to Article 13 of the Italian Banking Act under number 5361 and which is the parent company of the Intesa Sanpaolo Group, agreed into the *Fondo Interbancario di Tutela dei Depositi* and into the *Fondo Nazionale di Garanzia*.
Quotaholder	**Special Purpose Entity Management S.r.l.**, a company incorporated under the laws of Italy, whose registered office is at Via Vittorio Betteloni No. 2, 20131, Milan, Italy, registration with the Companies Register of Milan – Monza – Brianza - Lodi, Fiscal Code and VAT No. 09262340962, (**SPE Management**).
Arranger	**Société Générale**, a bank organised as a public limited company (société anonyme) incorporated under the laws of the Republic of France with registered number 552120222 RCS Paris, having its registered office at 29, boulevard Haussmann, 75009, Paris, France (the **Arranger**).
Class A Notes Subscriber	**BPSA**.
Class B Notes Subscriber	**BPSA**.
Ownership or control relationships between the principal parties	As at the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties indicated above, other than (i) the ownership of the Issuer by the Quotaholder as described in the section headed "*The Issuer*"; (ii) the indirect ownership of the 50 per cent. of BPSA by the Spanish Account Bank, as described in the section headed "*The Seller, the Servicer, the Cash Manager, the Class A Notes Subscriber, the Class B Notes Subscriber and the General Reserve Subordinated Loan Provider*", (iii) the indirect ownership of the 50 per cent. of BPSA by SCF, as described in the section headed "*The Seller, the Servicer, the Cash Manager, the Class A Notes Subscriber, the Class B Notes Subscriber and the General Reserve Subordinated Loan Provider*", and (iv) the direct and indirect ownership of 100 per cent. of SCF by the Spanish Account Bank.

2. PRINCIPAL FEATURES OF THE NOTES

The Issue	On the Issue Date, the Issuer will issue the Euro 554,400,000.00

	Class A Asset Backed Fixed Rate Notes due September 2034 (the **Class A Notes**) and the Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes due September 2034 (the **Class B Notes** and, together with the Class A Notes, the **Notes**).
Issue Price	On the Issue Date, the Notes will be issued at an issue price of 100 per cent. of their principal amount upon issue.
Status	The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.
Credit Rating	The Class A Notes are expected, on issue, to be rated "AA(sf)" by Fitch and "AA (high) (sf))" by DBRS. The Class B Notes will not be assigned a credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation.** As of the date of this Prospectus, each of DBRS and Fitch is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the **CRA Regulation**) and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus).
Denomination, form and title	The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act. Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Notes.
Interest on the Notes and	Each Note will bear interest on its Principal Amount Outstanding

Variable Return on the Notes	from (and including) the Issue Date at the fixed rate per annum (expressed as a percentage) equal to, in respect of the Class A Notes, 0.60 per cent. per annum (the **Class A Notes Interest Rate**) and, in respect of the Class B Notes, 1.20 per cent. per annum (the **Class B Notes Interest Rate**). Interest on the Notes will be payable in Euro monthly in arrears by reference to successive interest periods on each Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Payment Date shall be the Payment Date falling in September 2019 (the **First Payment Date**). In addition, subject to and in accordance with the Conditions, each holder of a Class B Note shall be entitled on each Payment Date to a *pro rata* share of the Variable Return payable under the applicable Priority of Payments.
Legal Final Maturity Date	Save as described below, unless previously redeemed in full, the Issuer will redeem the Class A Notes and the Class B Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Payment Date falling on September 2034 (the **Legal Final Maturity Date**). If the Notes cannot be redeemed in full on the Legal Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption (including the proceeds of any sale of the Portfolio or any enforcement of the Issuer Security), any unpaid amount, whether in respect of interest, principal or other amounts in relation to the Notes, shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the Cancellation Date at which date any amount remaining outstanding in respect of interest or principal on any Notes shall be reduced to zero, deemed to be released by the holder of the relevant Notes and the Notes will be finally and definitely cancelled.
Tax	All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction. According to the provisions of article 6 of Decree 239, a holder of a Note who (i) is not a person resident for tax purposes (or an institutional investor incorporated) in a country which allows an adequate exchange of information with the Republic of Italy, or (ii) is resident or incorporated in such a country but has not fulfilled all the requisite documentary requirements under Decree 239, will receive amounts of interest payable on the Notes net of the Decree 239 Withholding. For further details, see the section headed "*Taxation in the Republic*

of Italy" below.

Mandatory *pro rata* redemption

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

Redemption for Issuer Tax Event

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

(a) the *patrimonio separato* of the Issuer in respect of the Securitisation becomes subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction; or

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

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

other applicable taxing authority having jurisdiction,

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

Early redemption at the option of the Issuer

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

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

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

Subordination between the Classes of Notes

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

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

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

Payments or as a result of mandatory provisions of law.

Security for the Notes

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

Trigger Events

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

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

(ii) **Non payment of principal**: default is made in respect of any repayment of (i) principal due on the Most Senior Class of Notes on the Legal Final Maturity Date or any other date of early repayment pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*); or (ii) principal when due and payable on the Most Senior Class of Notes (provided that the Issuer has sufficient Available Distribution Amounts available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

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

Noteholders) specifying such breach; or

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

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

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

(vii) **Unlawfulness**: it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason; or

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

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

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

(ii) shall, to the extent requested by an Extraordinary

Resolution of the Noteholders of the Most Senior Class, in the case of the Trigger Events set out under items (iii) and (iv) of paragraph (a) above,

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

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

Representative of the Noteholders

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

The Representative of the Noteholders shall exercise as it sees fit all rights and discretions of the Noteholders under the Transaction Documents in accordance with the Conditions and, under the Intercreditor Agreement, shall be entitled to exercise certain other rights and discretions as agent (*mandatario con rappresentanza*) of the Other Issuer Secured Creditors with respect to the Issuer Security.

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

Each Noteholder, by purchasing the relevant Note, shall be deemed

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

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

Limitation to individual rights and non-petition

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

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

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

Limited Recourse and Extinguishment of Claims

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

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

The Portfolio

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

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

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

Purchase Price

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

On the Issue Date, the Principal Component Purchase Price of the Initial Receivables, being equal to Euro 659,997,819.48, will be considered as fully paid by the Issuer to Seller following the set-off between (i) the Principal Component Purchase Price of the Initial Receivables due by the Issuer to BPSA pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, and (ii) the amount due by BPSA to the Issuer on the Issue Date as subscription moneis for the Class A Notes and the Class B Notes in respect of the Initial Receivables pursuant to the Master Receivables Transfer Agreement.

The Interest Component Purchase Price of the Initial Receivables, being equal to Euro 1,146,061.44, will be paid to the Seller on each Payment Date on which there are Available Distribution Amounts applicable to such payment subject to and in accordance with the then applicable Priority of Payments.

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

accordance with the then applicable Priority of Payments.

Representations and Warranties

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

Servicing of the Portfolio

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

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

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

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

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

Cash Allocation, Management and Payment Agreement

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

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

Eligible Investments

Pursuant to the Cash Allocation, Management and Payment Agreement, at any time, unless the Issuer and/or the 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.

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.

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

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

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

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

(b) hold such Eligible Investment until its maturity.

Eligible Investment means:

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

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

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

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

(iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

provided that, in all cases:

(c) 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;

(d) 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;

(e) 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

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

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS

Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

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

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

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

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

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

4. PRIORITIES OF PAYMENTS AND CREDIT STRUCTURE

Priority of Payments during the Revolving Period and the Amortisation Period

On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Distribution Amounts in the order of priority provided for under Condition 4.1 (*Order of Priority - Priority of Payments during the Revolving Period and the Amortisation Period*) (the **Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full.

Priority of Payments during the Accelerated Amortisation Period

During the Accelerated Amortisation Period and in case of early redemption in the circumstances provided for under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Available Distribution Amounts shall be applied by or on behalf of the Issuer in the order of priority provided for under Condition 4.2 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*) (the **Accelerated Amortisation Period Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full.

Post-Enforcement Priority of Payments

Following service of a Trigger Event Notice, all amounts received or recovered by the Issuer and/or the Representative of the Noteholders in respect of the Purchased Receivables and the proceeds of enforcement of the Issuer Security (after the transfer to the Payment Account of all amounts standing to the credit of the General Reserve Account and the Collection Account (if any)) shall be applied by or on behalf of the Issuer or the Representative of the Noteholders (as the case may be), as provided for under Condition 4.3 (*Order of Priority – Post-Enforcement Priority of Payments*) (the **Post-Enforcement Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full.

Accelerated Amortisation Event

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

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

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

Amortisation Event

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

(a) for 4 consecutive Purchase Dates the Seller does not transfer Receivables to the Issuer, except if the Seller confirms to the

Issuer and the Representative of the Noteholders that such absence of transfer is due to technical reasons (providing documentary evidence thereof) and is remedied on the following Purchase Date; or

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

Payments to Connected Third Parties Creditors

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay or provide for the amounts under item (a) (*first*) (i) of the Priority of Payments or item (a) (*first*) (i) of the Accelerated Amortisation Period Priority of Payments (as the case may be), provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any such known expenses not yet paid and any expenses falling due after such Payment Date.

General Reserve

Pursuant to the General Reserve Subordinated Loan Agreement, the General Reserve Subordinated Loan Provider has undertaken to make available to the Issuer, on the Issue Date, a General Reserve Advance to fund the General Reserve Required Amount. To such end, on the Issue Date an amount equal to Euro 6,600,000.00 will be credited by the General Reserve Subordinated Loan Provider into the General Reserve Account as General Reserve Required Amount.

The General Reserve Account shall be credited on each Payment Date in accordance with the Priorities of Payments, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes or following the delivery of a Trigger Notice, as the case may be.

STS-securitisation

The Securitisation is intended to qualify as a simple, transparent and standardised (**STS**) securitisation within the meaning of article 18 of Regulation (EU) no. 2402 of 12 December 2017 (the **Securitisation Regulation**). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and may, after the Issue Date, be notified by the Seller to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Seller and the

Issuer have used the service of Prime Collateralised Securities (PCS) UK Limited (**PCS**), a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the Securitisation complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Issue Date. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future**. None of the Issuer, the Seller, the Reporting Entity, the Arranger, 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 Securitisation Regulation at any point in time in the future.

5. OTHER PRINCIPAL TRANSACTION DOCUMENTS

Intercreditor Agreement

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

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

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

Pursuant to the Intercreditor Agreement, the Issuer has undertaken to (i) grant a Spanish law pledge over the Securities Account upon first deposit of securities into the relevant account, by entering into a pledge agreement substantially in the form of the Spanish Pledge Agreement, and (ii) procure that a leading international law firm issues a legal opinion as to the validity and the enforceability of such pledge, provided that the pledge agreement and the related legal opinion shall be notified in advance to the Rating Agencies.

Spanish Pledge Agreement	Pursuant to the Spanish Pledge Agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties, the Issuer will grant a Spanish law pledge over the Collection Account, the General Reserve Account and the Securities Account.
Quotaholder's Agreement	Pursuant to the Quotaholder's Agreement to be entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Quotaholder, the Quotaholder (i) will assume certain undertakings with respect to, *inter alia*, the exercise of its voting rights in the Issuer, and (ii) will undertake not to dispose of its interest in the Issuer.

RISK FACTORS

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

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

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

SUITABILITY

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

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

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

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

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

RISK FACTORS RELATING TO THE ISSUER

Source of payments to holders of the Notes

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

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

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

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

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

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 the 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 less than the face value of the Notes, and the Issuer may be unable to pay in full interest due on the Notes.

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

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

Liquidity and credit risk

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

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

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

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

Subordination and Credit Enhancement

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

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

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

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

STRUCTURAL CONSIDERATIONS

Absence of secondary market and limited liquidity

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

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

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to

sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Yield and prepayment considerations

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

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

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

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

With respect to the subrogation, article 120-*quater* of the Italian Banking Act provides that, in respect of a loan, overdraft facility or any other financing granted by a bank or financial intermediary, the relevant borrower can exercise the subrogation, even if the borrower's debt towards the lender is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant loan agreement (or separately agreed) aimed at preventing the borrower from exercising such subrogation or at rendering the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any expenses or commissions in connection with the subrogation. Furthermore, paragraph 7 of article 120-*quater* of the Italian Banking Act provides that, in case the subrogation is not perfected within 30 (thirty) business days from the date on which the original lender has been requested to cooperate for the conclusion of the subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent. of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the subrogation.

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

Administration and reliance on third parties

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

If events occur which give the Issuer the right to terminate the appointment of the Servicer under the Servicing Agreement, it is necessary for the Issuer to appoint a successor servicer (such appointment to be notified in writing to the Rating Agencies) before any termination of the Servicer's appointment will become effective (see section headed "*Description of the Transaction Documents – Servicing Agreement*"). Such successor servicer would be required to (i) assume responsibility for the provisions of the services required to be performed by the Servicer under the Servicing Agreement and (ii) be bound by the provisions of the Intercreditor Agreement. There can be no assurance that a successor servicer will be found or that any successor servicer will be willing to accept such appointment at the conditions of the Servicing Agreement.

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

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

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

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

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

The Issuer may be affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund. More recently, in 2013, aid was also requested by Cyprus. In addition, on 23 June 2016, the UK held a referendum on the country's membership of the European Union (Brexit). On 29 March 2017 the United Kingdom formally invoked article 50 of the Treaty on European Union which regulates the conditions and procedure for the exit of a member state from the European Union thus triggering the two-year period for withdrawal. Following the Brexit vote and the withdrawal notice, once the United Kingdom ceases to be a member of the European Union, all European Union legislation which currently has direct effect in the United Kingdom will cease to have such effect. The status of other European legislation that has been implemented in the United Kingdom through the enactment of United Kingdom legislation will depend on United Kingdom government decisions that are extremely difficult to anticipate. The Issuer cannot predict what, if any, impact

the United Kingdom's exit from the European Union will have on the Securitisation or the Issuer's ability to make payments on the Notes.

Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding. In particular, the credit ratings assigned to the Class A Notes are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Class A Notes are downgraded.

Anti-trust

BPSA is subject to certain claims and is party to a number of legal proceedings relating to the ordinary course of its business. Although it is difficult to predict the outcome of such claims and proceedings with certainty, BPSA believes that liabilities related to such claims and proceedings are unlikely to have, in the aggregate, significant effects on the financial position or profitability of BPSA. On 15 May 2017, the Italian anti-trust authority (Autorità Garante della Concorrenza e del Mercato - AGCM) (AGCM) announced the start of an investigation into nine automotive manufacturers' captive banks and two industry associations (Assofin "Associazione Italiana del Credito al Consumo e Immobiliare" and Assilea "Associazione Italiana Leasing"). The investigation concerns alleged anticompetitive practices that would have been based on an exchange of commercially sensitive information. BPSA is one of the captive banks involved in the investigations.

On 20 December 2018, AGCM has concluded the proceeding and approved to issue a sanctions to the parties involved. The moneteary fine charged to BPSA amounts 6.077.606 euro.

Despite the certainty of the legitimacy of its actions and in the awareness of the groundlessness of the disputes, in these circumstances BPSA has decided to prudently pay off the entire amount of the sanction but file the appeal at 'Tar del Lazio'.

Significant investor

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

Forecasts

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

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

Credit ratings assigned to the Class A Notes

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

The ratings do not address the following:

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

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

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

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

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

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

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Class A Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Class A Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by European Securities and Markets Authority on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken

against a relevant rating agency and the publication of the updated European Securities and Markets Authority's list.

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

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates". As of the date of this Prospectus, such disclosure technical Standards are subject to review by the European Commission and not adopted yet in a binding delegated regulation of the European Commission. Therefore, the transitional provision of article 43(8) Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 Securitisation Regulation will be available, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. In addition, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the reporting obligations.

Average Life of the Class A Notes

The Legal Final Maturity Date of the Class A Notes is the Payment Date falling on September 2034; however, there can be no assurance that redemption in full, or at all, will be achieved on such Payment Date.

Notwithstanding the above, the average life of the Class A Notes is expected to be shorter than the number of years until its respective Legal Final Maturity Date (see section headed "*Expected Maturity and Expected Weighted Average Life of the Class A Notes*"). However, the figures set out in that section are based on and qualified by the assumptions and hypothetical scenarios set out therein; they are not predictive nor do they constitute a forecast. The actual average life of the Class A Notes is, therefore, impossible to predict exactly.

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

The Representative of the Noteholders – Limited enforcement rights for Noteholders

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

Certain material interests

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

Without limiting the generality of the foregoing, under the Securitisation (i) BPSA acts as Seller, Servicer, General Reserve Subordinated Loan Provider, Cash Manager, Class A Notes Subscriber and Class B Notes Subscriber; (ii) The Bank of New York Mellon SA/NV, Milan Branch acts as Italian Account Bank and Paying Agent; and (iii) Zenith as Corporate Servicer, Representative of the Noteholders and Calculation Agent.

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

Relationship among Noteholders and between Noteholders and other Issuer Secured Creditors

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

Under Condition 10 (*Trigger Events*), following the occurrence of a Trigger Event, the Representative of the Noteholders (i) shall, in case of the Trigger Events set out under items (a), (b), (e), (f), (g) and (h) of paragraph 10.1 of Condition 10; and (ii) shall, to the extent requested by an Extraordinary Resolution of the

Noteholders of the Most Senior Class, in the case of the Trigger Events set out under items (c) and (d) of paragraph 10.1 of Condition 10, serve a Trigger Event Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

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

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

Resolutions of the Noteholders

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

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

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

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

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

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

Statute of Limitations

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

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

Ring Fencing

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

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

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

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

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

Commingling risk

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

In addition, pursuant to article 3, paragraph 2-*ter*, of the Securitisation Law, no actions by the creditors of the servicer or any sub-servicer can be brought on the sums credited to the accounts opened in the name of the servicer or any such sub-servicer with a third party account bank, save for any amount which exceeds the sums collected by the servicer or any such sub-servicer and due from time to time to the issuer. In case of

any insolvency proceeding (*procedura concorsuale*) in respect of the servicer or any sub-servicer, the sums credited to such accounts (whether before or during the relevant insolvency proceeding), up to the amounts collected by the servicer or any such sub-servicer and due to the Issuer, will not be deemed to form part of the estate of the servicer or any such sub-servicer and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

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

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

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

RISKS ASSOCIATED WITH THE PORTFOLIO

No independent investigation in relation to the Receivables

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

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

Performance of Auto Loan Contracts

The Portfolio is exclusively comprised of, and shall exclusively comprise, Receivables arising from Auto Loan Contracts which were performing (*crediti in bonis*) as at the relevant Selection Date (see section headed "*The Portfolio*"). There can be no guarantee that the 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.

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

Insurance Policies

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

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

Recoveries under the Auto Loan Contracts

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

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

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

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

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

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

Servicing of the Portfolio

The Portfolio will be serviced by BPSA as Servicer of the Securitisation. Consequently, the net cash flows from the Portfolio may be affected by decisions made, actions taken and the Servicing Procedures adopted by the Servicer. To address this risk, the Servicing Agreement provides that (i) the Servicer will carry out the servicing activities according to the highest professional standards of skill and diligence in the collection and

recovery of securitised receivables similar to the Purchased Receivables in the interest of the Issuer and the Representative of the Noteholders and (ii) in the event that the Servicer has to face a situation that is not expressly envisaged in the Servicing Procedures, it shall act in a commercially prudent and reasonable manner and in the interest of the Issuer, the Representative of Noteholders, the Noteholders and the Other Issuer Secured Creditors. In addition, amendments to the Servicing Procedures may be made only in the limited circumstances provided for under the Servicing Agreement.

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

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

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

Used Car Risk

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

Historical Information

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

GENERAL LEGAL CONSIDERATIONS

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

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the process and facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and other costs and expenses associated with the securitisation transaction.

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

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

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

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

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

(c) the assignment becomes enforceable against:

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

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

The enforceability of the transfer of the Receivables comprised in the Portfolio to the Issuer against the assigned debtors is governed by the ordinary regime provided for by the Italian Civil Code. As a result, the transfer of the Receivables from the Seller to the Issuer becomes enforceable (*opponibile*) against the relevant assigned debtors only at such time as a notice (in any form) of the relevant assignment from the Seller to the Issuer has been given to the relevant assigned debtors, or the relevant assigned debtors have accepted such assignment, in each case in accordance with the provisions of Article 1264 of the Italian civil code. This also applies to the Car Dealer and to the Car Manufacturers against which the transfer of the Receivables comprised in the Portfolio to the Issuer shall become enforceable by means of a communication sent by the Seller pursuant to clause 6.2(c)(ii) of the Master Receivables Transfer Agreement.

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

As at the date of this Prospectus, only a number of interpretations of its application have been issued by Italian governmental or regulatory authorities. Consequently, it is possible that such authorities may issue

further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

Italian Usury Law

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

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

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

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

The Italian Supreme Court, under decision number 350/2013, as recently confirmed by decision number 23192/17, has clarified that the default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rates. Such interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates.

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

Compounding of interest (*Anatocismo*)

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

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

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

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

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

Risk of claw back

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

price of the receivables does not exceed the value of the receivables for more than 25 (twenty-five) per cent. and the insolvency receiver of the Seller is able to demonstrate that the Issuer was aware of the insolvency of the Seller. In that respect, pursuant to the Master Receivables Transfer Agreement the Seller shall deliver certain standard solvency certificates to the Issuer in respect of the transfer of each Portfolio made thereunder.

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

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

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

The Over-Indebtedness Composition Procedure consists of a restructuring agreement between the debtor and its creditors (the **Restructuring Agreement**). The Restructuring Agreement is proposed by the debtor on the basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the **Plan**).

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

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

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

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

Change of Law

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

Eurosystem eligibility criteria

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

Regulatory Capital Framework

In December 2009, the Basel Committee on Banking Supervision (the **Basel Committee**) proposed strengthening the global capital framework, and in December 2010, January 2011 and July 2011, the Basel Committee issued its final guidance on the proposed changes to capital adequacy and liquidity requirements (**Basel III**), which envisaged a substantial strengthening of capital rules existing at the time. This includes, among other things, raising the quality and quantity of the core tier 1 capital base in a harmonised manner (including through changes to the items which give rise to adjustments to that capital base), introducing requirements for non-core tier 1 and tier 2 capital instruments to have a mechanism that requires them to be written off or converted into ordinary shares at the point of a bank's non-viability, strengthening the risk coverage of the capital framework, promoting the build-up of capital buffers and introducing a new leverage ratio and global minimum liquidity standards for the banking sector. The Basel III framework adopts a gradual approach, with full enforcement in 2019.

In January 2013 the Basel Committee revised its original proposal with respect to the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the liquidity coverage ratio, suggesting a full implementation in 2019, as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. According to the final rules published by the Basel Committee in October 2014, the Net Stable Funding Ratio, is a minimum standard in relation to liquidity requirements starting from 1 January 2018.

In July 2016, the Basel Committee has published certain revisions to the securitisation framework, including an updated standard for the regulatory capital treatment of securitisation exposures providing the regulatory capital treatment for “simple, transparent and comparable” (STC) securitisations. This standard amended the Basel Committee's 2014 capital standards for securitisations. In addition, on 14 May 2018, the Basel Committee issued the "Capital treatment for simple, transparent and comparable short-term securitisation" which supplements the abovementioned standard and sets out additional guidance and requirements for the purpose of applying preferential regulatory capital treatment for banks acting as investors in or as sponsors of simple, transparent and comparable (STC) short-term securitisations, typically in asset-backed commercial paper (ABCP) structures.

Moreover, it is worth mentioning that the Basel Committee has embarked on a very significant RWA variability review. This includes the "Fundamental Review of the Trading Book", revised standardised approaches (credit, market, operational risk), constraints to the use of internal models as well as the introduction of a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The new framework is in the process of being finalized. From a credit risk perspective, an impact is expected both on capital held against those exposures assessed via the standardized approach, and those evaluated via an internal ratings based approach (IRB). In addition, significant changes are expected in relation to operational risk modelling, as the Basel Committee is proposing the elimination the internal models some banks are currently utilising and the introduction of a more standardised approach.

Following the finalisation of the Basel framework, the new rules will need to be transposed into European regulation. Implementation of these new rules on risk models will take effect from 1 January 2022.

In February 2018, the Basel Committee issued for consultation the updated framework of Pillar 3 requirements, which contains new or revised regulatory disclosure requirements. Such disclosure: (i) covers credit risk, operational risk, leverage ratio and credit valuation adjustment (CVA); (ii) benchmark a bank's risk-weighted assets (RWA) as calculated by its internal models with RWA calculated according to the standardised approaches; and (iii) provide an overview of risk management, key prudential metrics and RWA.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel III framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel III framework. The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel III framework. Significant uncertainty remains around the implementation of these initiatives.

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

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

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various types of regulated investors (including, inter alia, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not

less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Seller, the Arranger or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors in the Notes who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by the Basel Committee on Banking Supervision (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to the certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019, including securitisations established prior to the date where further securities are issued on or after 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

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 "*The Securitisation Regulation and the STS framework*", "*Investors' compliance with the due diligence requirements under the Securitisation Regulation*" and "*Credit ratings assigned to the Class A Notes*", respectively, below and above.

The Securitisation Regulation and the STS Framework

On 12 December 2017, the European Parliament adopted Regulation (EU) 2017/2402 (i.e. the **Securitisation Regulation**) which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) the underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (the **STS-securitisations**). In particular, pursuant to Article 18 of the

Securitisation Regulation, a number of requirements must be met if the Seller and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for the Securitisation.

The general framework established by the Securitisation Regulation

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Seller for the purposes of complying with any relevant requirements and none of the Issuer, the Seller, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes (for further details, see risk factor "*Investors' compliance with the due diligence requirements under the Securitisation Regulation*" herein below in this section).

Various parties to the securitisation transaction described in this Prospectus are subject to the requirements of the Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, considering that the Regulatory Technical Standards relating to such requirements are not in final form or have not been adopted yet, in particular with respect to the, transparency obligations imposed under article 7 of the Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the Securitisation Regulation. Therefore, the final scope of application of such Regulatory Technical Standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final Regulatory Technical Standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

With respect to the commitment of the Seller to retain a material net economic interest in the Securitisation in accordance with, *inter alia*, option set out in Article 6, paragraph 3(d) of the Securitisation Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Article 7 of the Securitisation Regulation, please refer to the sections of this Prospectus entitled "*Description of Transaction Documents – Intercreditor Agreement*".

The STS framework established by the Securitisation Regulation

The Securitisation Regulation applies to the fullest extent to the Notes. The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and it has been notified by the Seller to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Seller and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the Securitisation complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Issue Date.

No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation 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.

Investors' compliance with the due diligence requirements under the Securitisation Regulation

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

(a) such Institutional Investor has verified that:

(i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;

(ii) the risk retention requirements set out in article 6 of the Securitisation Regulation are being complied with; and

(iii) information required by article 7 of the Securitisation Regulation has been made available; and

(b) such Institutional Investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

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

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those Institutional Investor subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant Institutional Investor.

The Institutional Investor's due diligence obligations described above apply in respect of the Notes. Relevant Institutional Investor are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors. None of the Issuer, BPSA (in any of its capacities under the Securitisation Regulation), the Arranger 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 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 Securitisation Regulation. Although the Seller will produce

quarterly 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 Arranger 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 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 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 Securitisation Regulation or otherwise, that they have insufficient information in order to comply with their own due diligence obligations under article 5 of the Securitisation Regulation, there is no obligation on the Issuer or any other party (including, for the avoidance of doubt, the Arranger) to provide further information to meet such insufficiency.

U.S. Risk Retention Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bank Recovery and Resolution Directive

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

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

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business, which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation, which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity.

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

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

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

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

Volcker Rule

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the

Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the **Volcker Rule**.

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

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the **ICA**) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

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

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

Risk from reliance on verification by PCS

BPSA, in its capacity as Seller, has used the services of Prime Collateralised Securities (PCS) UK Limited (**PCS**), a third party authorised pursuant to article 28 of the Securitisation Regulation, to verify whether the Securitisation complies with articles 19 to 22 of the Securitisation Regulation and the compliance with such

requirements is expected to be verified by PCS on the Issue Date. However, none of the Issuer, the Seller, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 of the Securitisation Regulation, (ii) that the Securitisation does or continues to comply with the Securitisation Regulation, (iii) that the Securitisation does or continues to be recognised or designated as "STS" or "simple, transparent and standardised" within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus.

The verification by PCS does not affect the liability of BPSA, as Seller in respect of its legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by PCS shall not affect the obligations imposed on Institutional Investor as set out in article 5 of the Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation designated as "STS" or "simple, transparent and standardised" has actually satisfied the criteria. Investors must not solely rely on any STS notification or PCS' verification to this extent.

BPSA, as Seller, will include in its notification pursuant to article 27(1) of the Securitisation Regulation, a statement that compliance of the securitisation described in this Prospectus with articles 19 to 22 of the Securitisation Regulation has been verified by PCS. The designation of the Securitisation as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). By designating the Securitisation as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes.

APPLICABLE CAR AND CONSUMER CREDIT LEGISLATION

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

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

(a) pursuant to paragraphs 1 and 2 of article 125-*quinques* of the Italian Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that such default meets the conditions set out in article 1455 of the Italian Civil Code. In the case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to paragraph 4 of article 125-*quinques* of the Italian Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under paragraphs 1 to 3 of the same article, which they had against the original lender. In addition, with respect to insurance policies financed by the originators/lenders (where the premium is paid up-front by the originators to the insurance companies and then reimbursed to the originators/lenders by the borrowers as a part of the loan instalments), it is uncertain whether such insurance policies may qualify as linked contracts and, as such, would confer on the borrowers the right to terminate the relevant loan agreements or at least claim a refund of the unearned premium from the issuer in case

of default of the insurance companies. On the basis of the principles of the Italian civil code it could be reasonably argued that, should the insurance policies qualify as linked contracts, upon default of the insurance companies the borrowers would be entitled to claim only a refund of the portion of the loan financing the premium. However, it should be noted that, as at the date of this Prospectus, no decision has been expressed by any Italian court in respect of this issue;

(b) pursuant to article 125-*sexies* of the Italian Banking Act, debtors under consumer loan contracts have the right (which cannot be waived by agreement between the parties) to prepay any consumer loan (in whole or in part) with the right to a *pro rata* reduction in the aggregate amount of the loan, equal to the amounts of interest and costs that should accrued until the final maturity date of such loan. Pursuant to second paragraph of article 125-*sexies*, in case of prepayment of the consumer loan, the lender has the right to receive an indemnity from the debtor that cannot exceed the following limits: (i) 1 per cent. of the early prepaid amount, should the prepayment be made more than 1 year before the final maturity date of the loan; or (ii) 0.5 per cent. of the early prepaid amount, should the prepayment be made at least 1 year or less than 1 year before the final maturity date of the loan, provided that in any case such indemnity cannot exceed the amount of interest that the debtor would have paid on the loan until its final maturity date. Furthermore, third paragraph of article 125-*sexies* provides for specific circumstances under which such indemnity is not due by the debtor to the lender (e.g. if the prepaid amount is equal to the outstanding amount and it is lower than €10,000);

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

(d) pursuant to paragraph 2 of article 125-*septies* of the Italian Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a consumer loan contract when the original lender maintains the servicing of the relevant claims. In addition, regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*, as amended and supplemented from time to time) provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Italian Banking Act with respect to the assignment of claims to be carried out in accordance with article 58 of the Italian Banking Act and article 4 of the Securitisation Law with respect to the

securitisation transaction of claims. Prior notice of the purchase of the Receivables under the Master Receivables Transfer Agreement was not, and will not be, given to the borrowers as the Seller will continue to service the relevant Receivables and the borrowers' payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that borrowers who qualify as a "consumer" pursuant to the Italian Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Auto Loan Contract extended to them that the assignment of the Receivables cannot be enforced against them if the Seller does not continue to service the relevant Receivables and the borrowers' payment procedure are subject to change, until they receive formal notice of the assignment.

The Auto Loans disbursed to Debtors who qualify as a "consumer" pursuant to the Italian Banking Act are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by the Consumer Code, which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

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

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

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

Italian Taxation Considerations

Tax position of the Issuer

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

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

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

Withholding Tax on the Issuer's Accounts

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

Registration Tax

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

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

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

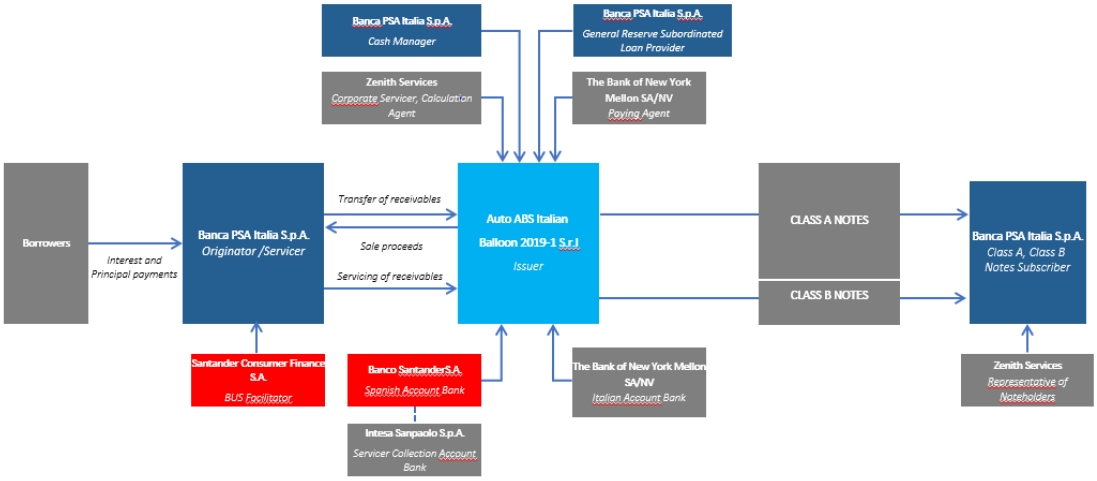
In such a case, the Italian tax authorities may ask for the cross-referenced Transaction Documents to be filed with the competent Italian registration tax office and, consequently, the application of registration tax to such Transaction Documents according to the ordinary rules. The rule applies at Italian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

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

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

TRANSACTION DIAGRAM

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



CREDIT STRUCTURE

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

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

DBRS: "AA (high) (sf))"

Fitch: "AA(sf)"

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

Subordination of Notes as between Classes

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

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

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

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

General Reserve

Pursuant to the General Reserve Subordinated Loan Agreement, the General Reserve Subordinated Loan Provider has undertaken to make available to the Issuer, on the Issue Date, a General Reserve Advance to fund the General Reserve Required Amount. To such end, on the Issue Date, an amount equal to Euro 6,600,000.00 will be credited by the General Reserve Subordinated Loan Provider into the General Reserve Account as General Reserve Required Amount.

The General Reserve Account shall be credited on each Payment Date in accordance with the Priorities of Payments, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

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

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

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

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

On the Issue Date, (i) the issue of the Class B Notes and (ii) the establishment of the General Reserve, provide the Class A Noteholders with a total level of credit enhancement equal to 17% per cent. of the Principal Amount Outstanding of the Notes on the Issue Date.

THE PORTFOLIO

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

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

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

Eligibility Criteria

Contracts Eligibility Criteria

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) each Auto Loan Contract is a 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 either the Peugeot, Citroën or DS brand, or (ii) a Used Car;

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

(s) the Auto Loan Contract has an original term to maturity of not more than 84 months;

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

(u) 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%;

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

(w) the Seller has not taken any deposit from the Debtor;

(x) the relevant Car has been delivered to the Debtor;

(y) each Insurance Policy complies with applicable laws and regulations; and

(z) each Balloon Auto Contract has a Balloon Instalment equal to or lower than 70% of the vehicle's sale price.

Receivables Eligibility Criteria

Each Receivable offered for purchase to the Issuer must satisfy, on the relevant Selection Date and the relevant Purchase Date (or, with respect to item (e), (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 with the sole exception of the final larger Balloon Instalment;

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

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

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

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

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

(k) the Receivable is not a Delinquent Receivable;

(l) the Receivable is not a Defaulted Receivable, has not been accelerated and more generally is not doubtful, subject to litigation or frozen and does not include exposures in default within the meaning of Article 178(1) of the CRR or exposures to a credit-impaired Debtor in the meaning ascribed to such term under the Securitisation Regulation and, in particular, article 20(11) of the Securitisation Regulation;

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

(n) 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, set-off, counter claim, judgement, claim, refund or any other similar events which are likely to reduce the amount due in respect of the Receivable, and there are not, in whole or in part, any such existing or potential prohibition on payment, protest, lien, cancellation right, suspension, set-offs, counter claim, judgement, claim, refund or similar events; 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;

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

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

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

(r) the Receivables do not include derivatives, in compliance with the Securitisation Regulation;

(s) the Receivables do not include any securitisation position in the meaning ascribed to such term under the Securitisation Regulation;

(t) the Receivables 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 being the exposures retail exposures.

In addition, for the purposes of compliance with the requirements set forth under the Seucritisation Regulation for STS-Securitisations, and more specifically with respect to article 20(4) of the Securitisation

Regulation, the Purchased Receivables arise from Auto Loan Contracts that have been granted exclusively by BPSA, as lender; therefore, the requirements under article 20(4) of the Securitisation Regulation are not applicable.

Global Portfolio Limits

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

1. the Outstanding Balance of the Performing Receivables relating to one Debtor does not exceed 0.1% of the Outstanding Balance of all Performing Receivables;

2. 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;

3. the average remaining maturity of all Purchased Receivables (including the Additional Receivables), weighted by their respective Outstanding Balance, is not higher than 48 months;

4. the Outstanding Balance of Performing Receivables arising from Auto Loan Contracts relating to the financing to Commercial Debtors does not exceed 12.5% of the aggregate Outstanding Balance of all Purchased Receivables;

5. the Outstanding Balance of Performing Receivables arising from Auto Loan Contracts relating to the financing Used Cars does not exceed 15% of the aggregate Outstanding Balance of all Purchased Receivables;

6. the average Effective Interest Rate of all Purchased Receivables (including the Additional Receivables), weighted by their respective Outstanding Balance is greater than or equal to 3%;

7. the Outstanding Balance of Performing Receivables relating to Auto Loan Contracts granted to Debtors located/resident in the Italian regions of Puglia, Campania, Basilicata, Calabria, Sicilia and Sardinia, does not exceed 35% of the Outstanding Balance of all Performing Receivables;

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

Insurance Policies

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

Primary characteristics of the Portfolio

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

Statistical Information regarding the Portfolio

The statistical information set out in the following tables shows the characteristics of the Initial Receivables arising from Auto Loan Contracts selected by the Seller on the First Selection Date (columns of percentages

may not add up to 100% due to rounding). The Initial Receivables transferred by the Seller to the Issuer on the First Purchase Date has been randomly selected on the First Selection Date from a pool of Receivables complying with the Eligibility Criteria.

In addition:

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

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

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

All the Purchased Receivables derive from Auto Loans.

Under the Auto Loans the relevant Debtor shall pay:

(i) equal monthly instalments over the life of the relevant Auto Loan; plus

(ii) a Balloon Instalment equal to a predetermined minimum guaranteed value/amount determined as at the outset of the Balloon Auto Loan Contract.

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

(i) **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 (either DS, Peugeot, Citroen according to the relevant Financing Agreement); or

(ii) **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 final Balloon Instalment into several additional instalments; or

(iii) **OPTION C**: upon expiry of the Auto Loan and within the last instalment's due date, transfer the ownership of the vehicle to any dealer part of the manufacturer's dealership network.

OPTION B

Option B can be exercised by the borrowers also under the Balloon Auto Loan Contracts that are different from the VFG Balloon Auto Loan Contracts.

Pursuant to the Balloon Auto Loan Contracts, in case of exercise of Option B, the Debtor is discharged under the relevant 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 BPSA 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 Borrower under the 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 transferred to the Issuer under the Master Receivables Transfer Agreement. In fact, pursuant to the Ballon Auto Loan Contracts the relevant debt/loan has already been disbursed by the Seller to the Borrower and the Borrower 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:

(i) 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;

(ii) 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;

(iii) 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;

(iv) the vehicle underwent all the maintenance activities as provided for in the maintenance plan set forth by the manufacturer;

(v) the vehicle did not suffer damages exceeding 50% of its value; and

(vi) the ownership of the vehicle is transferred by the borrower 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 transferred to the Issuer under the Master Receivables Transfer Agreement. In fact, pursuant to the VFG Ballon Auto Loan Contracts the relevant debt/loan has already been disbursed by the Seller to the Borrower and the Borrower has agreed (and is obliged) to pay it, and therefore there is only a change as to person/entity that pays such amount.

STRATIFICATION TABLES

SUMMARY TABLE

CUT-OFF DATE	***08/07/2019***
Aggregate Outstanding Loan Principal Amount	**659.997.819,48**
Aggregate Original Loan Principal Amount	**754.722.459,48**
Number of Loans	**53.096**
Number of Obligors	**52.433**
Average Outstanding Loan Principal Amount	**12.430,27**
Balloon Payment on Aggregate Outstanding Loan Principal Amount	**67,26%**
Loan with OPTA component on Aggregate Outstanding Loan Principal Amount	**19,73%**
New Car/Used Car (%)	**99,31% / 0,69%**
Private/Commercial (%)	**93,42% / 6,58%**
Largest Borrower % on Outstanding Loan Principal Amount	**0,01%**
Largest TOP 5 Borrower % on Outstanding Loan Principal Amount	**0,06%**
Largest TOP 10 Borrower % on Outstanding Loan Principal Amount	**0,10%**
WEIGHTED AVERAGE	
Weighted Average Interest Rate	**4,4%**
Weighted Average Original Term	**38,6**
Weighted Average Seasoning	**11,3**
Weighted Average Remaining Term	**27,3**
Weighted Average Original LTV	**78,4%**

Original Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[24 - 30 [	800	1,51%	8.173.295	1,24%
[30 - 36 [	-	0,00%	-	0,00%
[36 - 42 [	44.700	84,19%	556.148.437	84,27%
[42 - 48 [	-	0,00%	-	0,00%
[48 - 54 [	3.200	6,03%	39.697.167	6,01%
[54 - 60 [	-	0,00%	-	0,00%
[60 - 66 [	4.396	8,28%	55.978.921	8,48%
Total	53.096	100%	659.997.819	100%

Max	***60,0***
Min	***24,0***
WAverage	***38,6***

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

Seasoning in months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[00 - 06 [	14.555	27,41%	206.201.322	31,24%
[06 - 12 [	12.954	24,40%	166.750.918	25,27%
[12 - 18 [	12.565	23,66%	151.654.691	22,98%
[18 - 24 [	5.721	10,77%	64.533.017	9,78%
[24 - 30 [	4.345	8,18%	45.074.057	6,83%
[30 - 36 [	2.630	4,95%	23.947.967	3,63%
[36 - 42 [	97	0,18%	601.496	0,09%
[42 - 48 [	227	0,43%	1.226.037	0,19%
[48 - 54 [	-	0,00%	-	0,00%
[54 - 60 [	2	0,00%	8.315	0,00%
Total	53.096	100%	659.997.819	100%

Max	***57,0***
Min	***1,0***
WAverage	***11,3***

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

Current Term to Maturity in Months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[00 - 06 [	1.672	3,15%	15.208.386	2,30%
[06 - 12 [	3.972	7,48%	40.096.553	6,08%
[12 - 18 [	4.346	8,19%	48.949.660	7,42%
[18 - 24 [	11.056	20,82%	129.525.187	19,63%
[24 - 30 [	11.708	22,05%	147.728.182	22,38%
[30 - 36 [	14.892	28,05%	201.542.694	30,54%
[36 - 42 [	1.084	2,04%	12.290.766	1,86%
[42 - 48 [	2.488	4,69%	35.422.573	5,37%
[48 - 54 [	805	1,52%	11.519.401	1,75%
[54 - 60 [	1.073	2,02%	17.714.417	2,68%
Total	53.096	100%	659.997.819	100%

Max	***59,0***
Min	***2,0***
WAverage	***27,3***

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

Origination Year	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
2014	2	0,00%	8.314	0,00%
2015	219	0,41%	1.177.948	0,18%
2016	2.685	5,06%	24.129.115	3,66%
2017	9.990	18,81%	108.730.526	16,47%
2018	25.415	47,87%	316.612.326	47,97%
2019	14.785	27,85%	209.339.590	31,72%
Total	53.096	100%	659.997.819	100%

Original Outstanding Balance	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[2,000 - 4,000 [	6	0,01%	20.084	0,00%
[4,000 - 6,000 [	453	0,85%	2.326.887	0,35%
[6,000 - 8,000 [	3.171	5,97%	20.682.458	3,13%
[8,000 - 10,000 [	6.590	12,41%	52.849.671	8,01%
[10,000 - 12,000 [	10.363	19,52%	98.917.689	14,99%
[12,000 - 14,000 [	8.983	16,92%	100.572.697	15,24%
[14,000 - 16,000 [	7.415	13,97%	95.718.785	14,50%
[16,000 - 18,000 [	5.170	9,74%	76.200.585	11,55%
[18,000 - 20,000 [	3.536	6,66%	58.196.440	8,82%
[20,000 - 22,000 [	2.894	5,45%	52.607.045	7,97%
[22,000 - 24,000 [	1.793	3,38%	36.481.622	5,53%
[24,000 - 26,000 [	1.287	2,42%	28.442.324	4,31%
[26,000 - 28,000 [	668	1,26%	16.015.420	2,43%
[28,000 - 30,000 [	383	0,72%	9.826.599	1,49%
[30,000 - 32,000 [	221	0,42%	5.953.805	0,90%
[32,000 - 34,000 [	83	0,16%	2.463.713	0,37%
[34,000 - 36,000 [	38	0,07%	1.200.822	0,18%
[36,000 - 38,000 [	15	0,03%	529.457	0,08%
[38,000 - 40,000 [	23	0,04%	833.877	0,13%
[40,000 - 42,000 [	2	0,00%	77.337	0,01%
[42,000 - 44,000 [	1	0,00%	41.595	0,01%
[44,000 - 46,000 [	1	0,00%	38.909	0,01%
Total	53.096	100%	659.997.819	100%

Max	*44.177*
Min	*3.350*
Average	*14.214*

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

Outstanding Principal Amount	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[0 - 2,000 [	-	0,00%	-	0,00%
[2,000 - 4,000 [	122	0,23%	422.919	0,06%
[4,000 - 6,000 [	1.837	3,46%	9.774.696	1,48%
[6,000 - 8,000 [	6.433	12,12%	45.831.956	6,94%
[8,000 - 10,000 [	10.544	19,86%	95.318.588	14,44%
[10,000 - 12,000 [	10.136	19,09%	111.072.188	16,83%
[12,000 - 14,000 [	7.886	14,85%	102.042.865	15,46%
[14,000 - 16,000 [	5.379	10,13%	80.309.774	12,17%
[16,000 - 18,000 [	3.740	7,04%	63.366.097	9,60%
[18,000 - 20,000 [	2.684	5,05%	50.858.049	7,71%
[20,000 - 22,000 [	1.804	3,40%	37.789.782	5,73%
[22,000 - 24,000 [	1.195	2,25%	27.359.357	4,15%
[24,000 - 26,000 [	669	1,26%	16.647.016	2,52%
[26,000 - 28,000 [	343	0,65%	9.218.820	1,40%
[28,000 - 30,000 [	171	0,32%	4.943.198	0,75%
[30,000 - 32,000 [	73	0,14%	2.260.655	0,34%
[32,000 - 34,000 [	37	0,07%	1.222.106	0,19%
[34,000 - 36,000 [	18	0,03%	628.205	0,10%
[36,000 - 38,000 [	21	0,04%	773.137	0,12%
[38,000 - 40,000 [	3	0,01%	116.816	0,02%
[40,000 - 42,000 [	1	0,00%	41.595	0,01%
Total	53.096	100%	659.997.819	100%

Max	***41.595***
Min	***2.656***
Average	***12.430***

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

Balloon payment as % of PRICE CAR	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[0% - 10.00% [	4.390	8,27%	56.025.880	8,49%
[10.00% - 20.00% [	2.945	5,55%	29.708.130	4,50%
[20.00% - 30.00% [	176	0,33%	1.614.587	0,24%
[30.00% - 40.00% [	3.183	5,99%	32.640.418	4,95%
[40.00% - 50.00% [	18.561	34,96%	212.404.533	32,18%
[50.00% - 60.00% [	21.519	40,53%	294.175.271	44,57%
[60.00% - 70.00% [	2.322	4,37%	33.429.001	5,07%
[70%]	-	0,00%	-	0,00%
Total	53.096	100%	659.997.819	100%

Max	***70%***
Min	***0,8%***
WAverage	***45,6%***

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

Original Loan to Value Ratio in %	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[10.00% - 20.00% [	1	0,00%	3.936	0,00%
[20.00% - 30.00% [	23	0,04%	123.652	0,02%
[30.00% - 40.00% [	110	0,21%	784.593	0,12%
[40.00% - 50.00% [	945	1,78%	8.024.895	1,22%
[50.00% - 60.00% [	5.272	9,93%	57.376.060	8,69%
[60.00% - 70.00% [	9.643	18,16%	114.880.401	17,41%
[70.00% - 80.00% [	13.500	25,43%	169.080.920	25,62%
[80.00% - 90.00% [	12.884	24,27%	168.341.284	25,51%
[90.00% - 100.00%[	6.430	12,11%	85.328.935	12,93%
[100.00%]	4.288	8,08%	56.053.143	8,49%
Total	53.096	100%	659.997.819	100%

Max	***100%***
Min	***16,8%***
WAverage	***78,4%***

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

Effective Interest Rate	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[1.00% - 2.00% [	3.985	7,51%	46.587.975	7,06%
[2.00% - 3.00% [	408	0,77%	4.386.709	0,66%
[3.00% - 4.00% [	10.603	19,97%	131.181.057	19,88%
[4.00% - 5.00% [	33.256	62,63%	414.563.128	62,81%
[5.00% - 6.00% [	4.727	8,90%	62.499.168	9,47%
[6.00% - 7.00% [	117	0,22%	779.782	0,12%
Total	53.096	100%	659.997.819	100%

Max	***6,5%***
Min	***2,0%***
WAverage	***4,4%***

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

Alimentation	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Others	415	0,78%	4.573.154	0,69%
DIESEL	32.259	60,76%	451.038.950	68,34%
PETROL	19.183	36,13%	193.845.655	29,37%
GPL	1.239	2,33%	10.540.061	1,60%
Total	53.096	100%	659.997.819	100%

Car Brand	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Peugeot	32.176	60,60%	416.501.675	63,11%
Citroen	20.556	38,71%	234.992.841	35,61%
Others	364	0,69%	8.503.304	1,29%
Total	53.096	100%	659.997.819	100%

Payment Mode	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Direct debit	52.980	99,78%	658.627.315	99,79%
Not direct debit	116	0,22%	1.370.504	0,21%
Total	53.096	100%	659.997.819	100%

Type of contract	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Loyalty Offer	45.454	85,61%	570.876.450	86,50%
Standard Offer	7.642	14,39%	89.121.370	13,50%
Total	53.096	100%	659.997.819	100%

Zone of residence	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
North	26.961	50,78%	338.415.444	51,28%
Centro	12.255	23,08%	149.932.913	22,72%
South*	13.880	26,14%	171.649.463	26,01%
Total	53.096	100%	659.997.819	100%

*(Puglia, Campania, Basilicata, Calabria, Sicilia e Sardinia)

Region of residence	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
Lombardia	10.601	19,97%	130.251.276	19,74%
Lazio	6581	12,39%	76.865.647	11,65%
Emilia-Romagna	5815	10,95%	74.212.425	11,24%
Sicilia	4872	9,18%	59.057.538	8,95%
Veneto	4485	8,45%	57.949.546	8,78%
Piemonte	3636	6,85%	44.992.980	6,82%
Campania	3024	5,70%	38.050.054	5,77%
Toscana	2594	4,89%	33.310.065	5,05%
Puglia	2212	4,17%	27.991.104	4,24%
Calabria	2217	4,18%	27.425.550	4,16%
Abruzzo	1151	2,17%	14.550.124	2,20%
Sardegna	1127	2,12%	13.701.672	2,08%
Marche	1025	1,93%	13.166.611	1,99%
Friul-Venezia Giulia	927	1,75%	11.957.651	1,81%
Umbria	854	1,61%	11.346.827	1,72%
Liguria	867	1,63%	10.464.152	1,59%
Trentino Alto Adige	463	0,87%	6.200.581	0,94%
Basilicata	428	0,81%	5.423.545	0,82%
Valle d Aosta	167	0,31%	2.386.833	0,36%
Molise	50	0,09%	693.639	0,11%
Total	53.096	100%	659.997.819	100%

Historical Performance Data

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

Static cumulative quarterly gross 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 becomes defaulted or written off, expressed as a percentage of the original principal

balance of each portfolio classified as defaulted in a given quarter. The cumulative recoveries are calculated from the recoveries from the Debtors (including car sales proceeds, if any) and the recoveries are shown in the quarter where cash flow is effectively received by the Seller.

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 (i) the total outstanding balance of all auto loans at the start of the relevant quarter, (ii) the total outstanding balance of auto loans that prepayed in the relevant quarter and (iii) the ratio of (i) to (ii) (the **Quarterly Prepayment Rate**).

HISTORICAL PERFORMANCE (ORIGINATION)

Vintage Quarter		Originated Amount (€)	# Contracts	Weighted Average Interest Rate	Average Term
2013	Q1	420.763	28	7,69%	42,13
2013	Q2	1.169.090	96	5,86%	48,58
2013	Q3	1.764.980	152	5,46%	45,70
2013	Q4	8.221.993	674	5,14%	44,70
2014	Q1	10.707.906	850	4,77%	42,80
2014	Q2	9.465.793	704	4,63%	40,87
2014	Q3	4.912.631	354	4,36%	38,75
2014	Q4	14.590.920	1.189	3,96%	35,61
2015	Q1	22.840.477	1.932	4,06%	35,29
2015	Q2	21.375.212	1.758	4,25%	35,24
2015	Q3	16.319.213	1.210	4,31%	35,46
2015	Q4	26.278.243	1.949	4,06%	38,42
2016	Q1	26.144.693	2.011	4,16%	36,04
2016	Q2	32.554.272	2.527	4,58%	33,62
2016	Q3	26.328.401	1.993	4,47%	33,58
2016	Q4	39.085.667	2.701	3,63%	38,34
2017	Q1	38.210.161	2.705	3,64%	37,14
2017	Q2	37.607.327	2.570	3,63%	38,44
2017	Q3	27.794.953	1.916	3,73%	39,56
2017	Q4	61.686.047	4.267	3,78%	40,42
2018	Q1	96.583.850	7.013	4,14%	37,22
2018	Q2	96.897.423	6.797	4,52%	36,19
2018	Q3	79.468.328	5.640	4,66%	37,56
2018	Q4	111.878.487	8.019	4,60%	38,29

HISTORICAL PERFORMANCE (CUMULATIVE QUARTERLY GROSS DEFAULTS)

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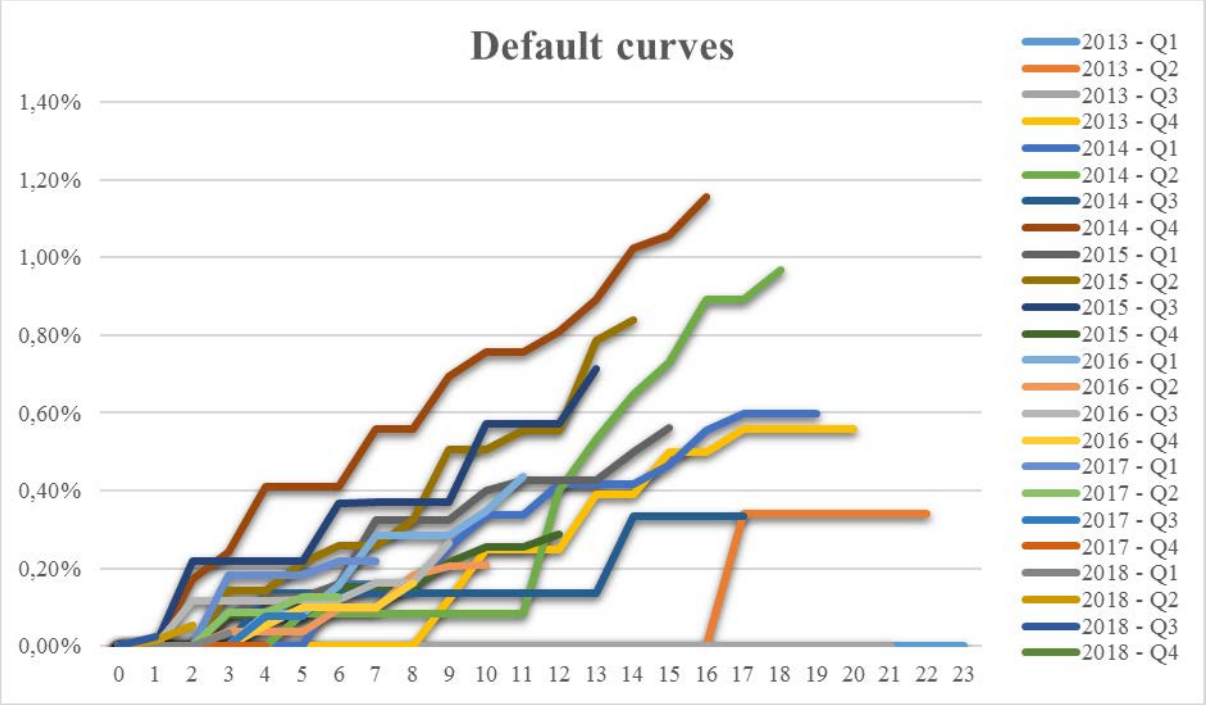
Quarter	Financed Amount	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
2013 - Q1	420.763,00 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
2013 - Q2	1.169.089,62 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,34%	0,34%	0,34%	0,34%	0,34%	0,34%	
2013 - Q3	1.764.980,11 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%		
2013 - Q4	8.221.993,22 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,12%	0,25%	0,25%	0,25%	0,39%	0,39%	0,50%	0,50%	0,56%	0,56%	0,56%	0,56%			
2014 - Q1	10.707.906,13 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,16%	0,16%	0,16%	0,25%	0,34%	0,34%	0,42%	0,42%	0,42%	0,46%	0,55%	0,60%	0,60%	0,60%				
2014 - Q2	9.465.792,79 €	0,00%	0,00%	0,00%	0,00%	0,00%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,40%	0,53%	0,65%	0,73%	0,89%	0,89%	0,97%					
2014 - Q3	4.912.631,22 €	0,00%	0,00%	0,00%	0,00%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,33%	0,33%	0,33%	0,33%						
2014 - Q4	14.590.919,79 €	0,00%	0,00%	0,17%	0,24%	0,41%	0,41%	0,41%	0,56%	0,56%	0,69%	0,76%	0,76%	0,81%	0,89%	1,02%	1,06%	1,16%							
2015 - Q1	22.840.477,30 €	0,00%	0,00%	0,00%	0,08%	0,13%	0,13%	0,16%	0,32%	0,32%	0,32%	0,40%	0,43%	0,43%	0,43%	0,50%	0,56%								
2015 - Q2	21.375.212,40 €	0,00%	0,00%	0,00%	0,14%	0,14%	0,22%	0,26%	0,26%	0,32%	0,51%	0,51%	0,55%	0,55%	0,79%	0,84%									
2015 - Q3	16.319.213,45 €	0,00%	0,00%	0,22%	0,22%	0,22%	0,22%	0,37%	0,37%	0,37%	0,37%	0,57%	0,57%	0,57%	0,72%										
2015 - Q4	26.278.243,46 €	0,00%	0,00%	0,00%	0,08%	0,08%	0,08%	0,15%	0,15%	0,15%	0,21%	0,25%	0,25%	0,29%											
2016 - Q1	26.144.693,18 €	0,00%	0,00%	0,00%	0,00%	0,08%	0,08%	0,16%	0,28%	0,28%	0,28%	0,35%	0,44%												
2016 - Q2	32.554.272,07 €	0,00%	0,00%	0,00%	0,04%	0,04%	0,04%	0,10%	0,10%	0,18%	0,21%	0,21%													
2016 - Q3	26.328.400,83 €	0,00%	0,00%	0,12%	0,12%	0,12%	0,12%	0,12%	0,16%	0,16%	0,26%														
2016 - Q4	39.085.667,39 €	0,00%	0,00%	0,00%	0,00%	0,05%	0,10%	0,10%	0,10%	0,16%															
2017 - Q1	38.210.160,76 €	0,00%	0,00%	0,00%	0,18%	0,18%	0,18%	0,22%	0,22%																
2017 - Q2	37.607.327,19 €	0,00%	0,00%	0,00%	0,09%	0,09%	0,13%	0,13%																	
2017 - Q3	27.794.953,15 €	0,00%	0,00%	0,00%	0,00%	0,08%	0,08%																		
2017 - Q4	61.686.046,62 €	0,00%	0,00%	0,00%	0,00%	0,00%																			
2018 - Q1	96.583.850,34 €	0,00%	0,00%	0,00%	0,03%																				
2018 - Q2	96.897.422,67 €	0,00%	0,01%	0,05%																					
2018 - Q3	79.468.328,08 €	0,00%	0,02%																						
2018 - Q4	111.878.487,27 €	0,00%																							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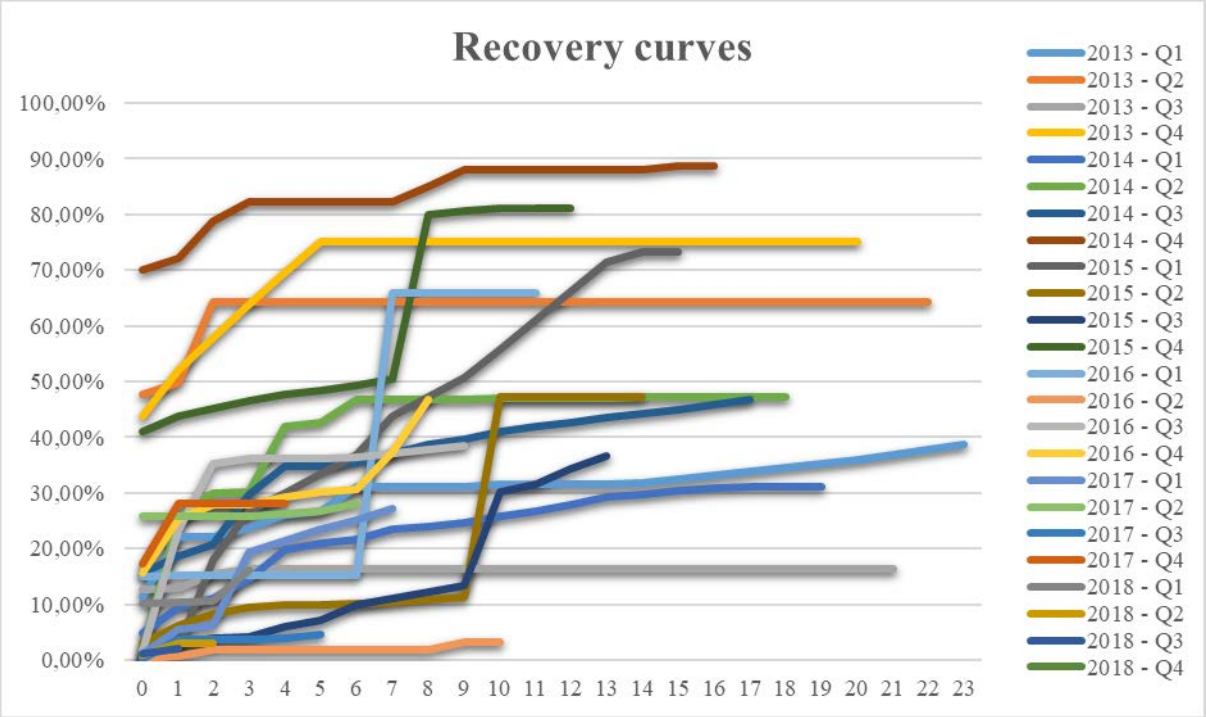
HISTORICAL PERFORMANCE (CUMULATIVE QUARTERLY RECOVERIES)

Quarter	Defaulted Amount	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
2013 - Q1	64.400,40 €	11,17%	22,15%	22,15%	23,71%	26,04%	26,81%	31,11%	31,11%	31,11%	31,11%	31,46%	31,46%	31,46%	31,46%	31,70%	32,42%	33,14%	33,87%	34,59%	35,31%	36,03%	36,75%	37,76%	38,66%
2013 - Q2	51.304,99 €	47,58%	49,85%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	64,35%	
2013 - Q3	46.341,83 €	12,63%	12,89%	15,40%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%	16,33%		
2013 - Q4	51.548,17 €	43,88%	52,08%	57,90%	63,72%	69,54%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%	75,14%			
2014 - Q1	83.495,49 €	4,89%	9,47%	10,97%	14,51%	19,72%	21,01%	21,59%	23,58%	23,92%	24,67%	25,74%	26,82%	27,90%	29,16%	29,64%	30,30%	30,83%	31,19%	31,19%	31,19%				
2014 - Q2	43.888,46 €	1,64%	25,52%	29,89%	30,19%	41,88%	42,57%	46,87%	46,87%	46,87%	46,87%	46,97%	46,97%	46,97%	46,97%	47,15%	47,15%	47,15%	47,15%	47,15%					
2014 - Q3	58.177,32 €	15,55%	18,75%	20,64%	29,76%	34,76%	34,76%	35,37%	37,17%	38,63%	39,66%	40,95%	41,89%	42,67%	43,44%	44,21%	44,99%	45,76%	46,74%						
2014 - Q4	22.728,20 €	69,95%	72,15%	78,75%	82,32%	82,32%	82,32%	82,32%	82,32%	85,05%	87,99%	87,99%	87,99%	87,99%	87,99%	87,99%	88,63%	88,63%							
2015 - Q1	10.539,36 €	0,00%	2,28%	17,88%	26,61%	30,05%	33,49%	36,93%	43,82%	47,26%	50,70%	55,86%	61,02%	66,19%	71,35%	73,34%	73,34%								
2015 - Q2	28.850,22 €	2,92%	6,21%	8,32%	9,36%	9,88%	9,88%	10,05%	10,39%	10,74%	11,26%	47,29%	47,29%	47,29%	47,29%	47,29%									
2015 - Q3	51.500,20 €	0,67%	2,91%	3,85%	4,24%	5,91%	7,04%	9,97%	11,09%	12,26%	13,43%	30,15%	31,59%	34,39%	36,59%										
2015 - Q4	64.786,52 €	41,07%	43,67%	45,20%	46,60%	47,77%	48,44%	49,26%	50,42%	80,05%	80,60%	81,05%	81,05%	81,05%											
2016 - Q1	96.300,65 €	14,88%	15,11%	15,11%	15,11%	15,11%	15,11%	15,11%	65,90%	65,90%	65,90%	65,90%	65,90%												
2016 - Q2	21.784,67 €	0,21%	0,62%	1,85%	1,85%	1,85%	1,85%	1,85%	1,85%	1,85%	3,27%	3,27%													
2016 - Q3	78.682,12 €	1,65%	23,28%	35,19%	36,22%	36,22%	36,22%	36,45%	37,12%	37,79%	38,46%														
2016 - Q4	46.290,56 €	15,60%	25,32%	27,87%	27,87%	29,25%	30,07%	30,64%	37,23%	46,86%															
2017 - Q1	133.041,50 €	1,18%	5,55%	6,23%	19,40%	21,32%	23,53%	25,17%	27,12%																
2017 - Q2	74.668,95 €	25,87%	25,87%	25,87%	25,87%	26,19%	26,78%	28,01%																	
2017 - Q3	104.913,82 €	0,25%	3,66%	3,66%	3,66%	3,84%	4,70%																		
2017 - Q4	179.692,32 €	17,23%	28,06%	28,06%	28,06%	28,21%																			
2018 - Q1	154.960,35 €	10,01%	10,25%	10,59%	16,02%																				
2018 - Q2	90.440,72 €	0,96%	3,04%	3,04%																					
2018 - Q3	157.331,76 €	1,14%	2,05%																						
2018 - Q4	240.848,90 €	1,11%																							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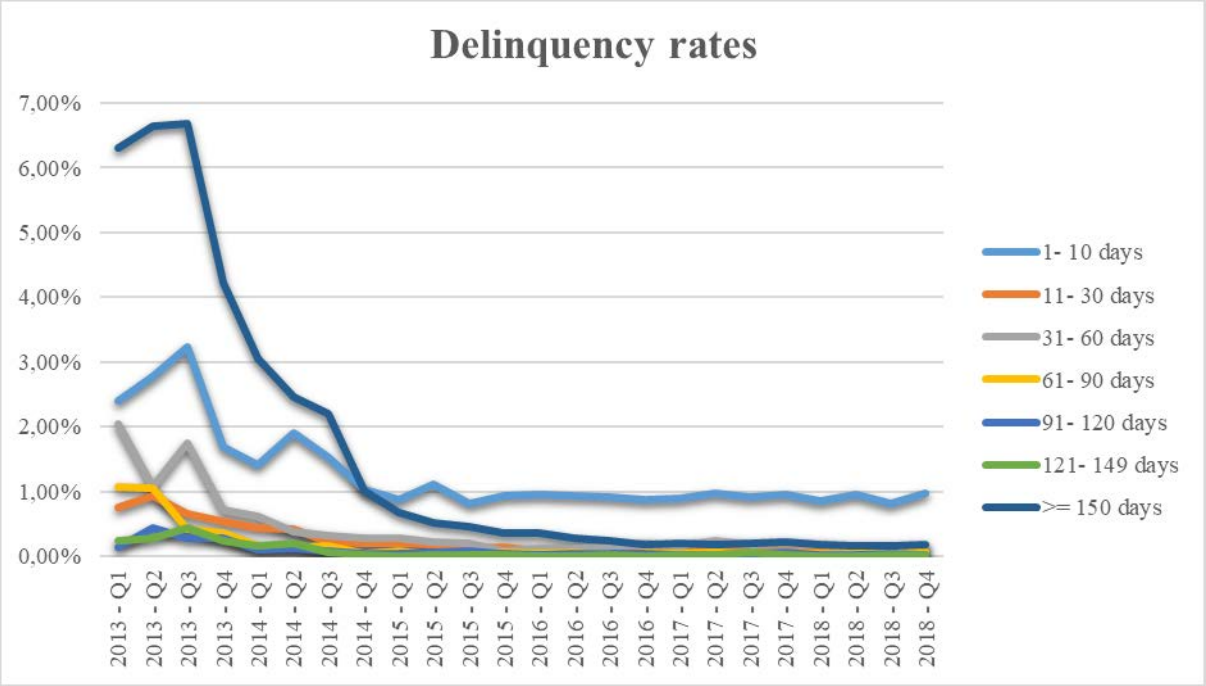
2018 - Q1
2018 - Q2
2018 - Q3
2018 - Q4

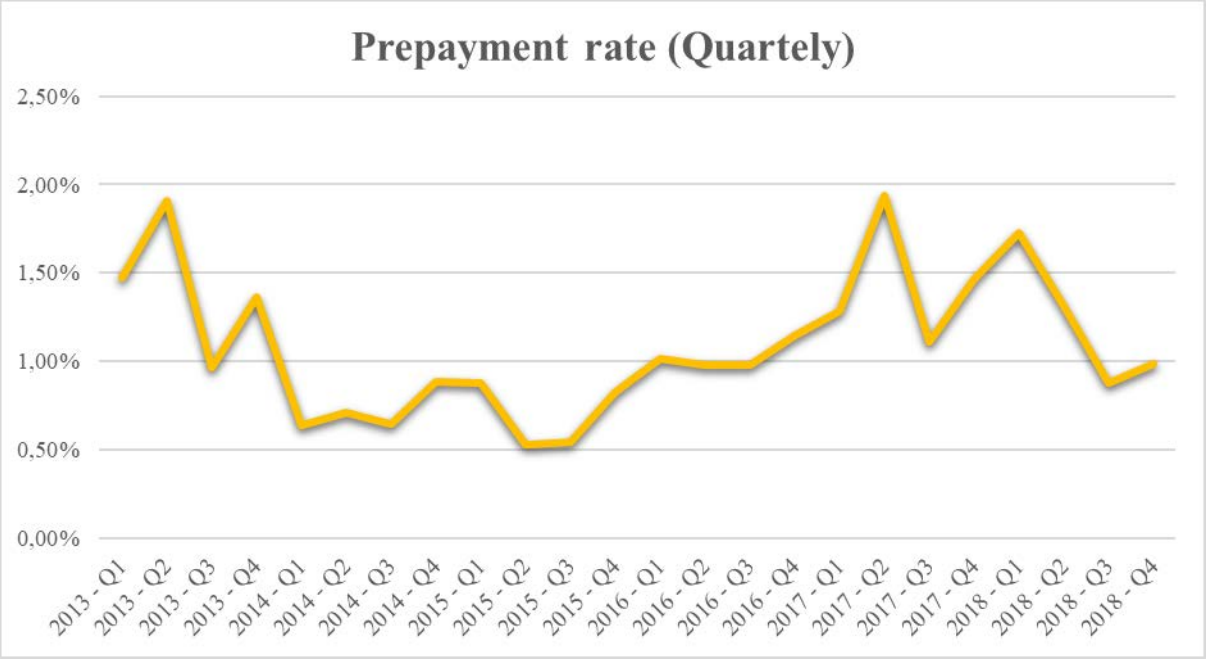
HISTORICAL PERFORMANCE (DYNAMIC QUARTERLY DELINQUENCIES)

Quarter	Outstanding Amount eop	Bonis	1- 10 days	11- 30 days	31- 60 days	61- 90 days	91- 120 days	121- 149 days	>= 150 days
2013 - Q1	11.314.437,85 €	87,04%	2,41%	0,75%	2,04%	1,06%	0,14%	0,25%	6,31%
2013 - Q2	11.072.606,52 €	86,78%	2,78%	0,93%	1,08%	1,06%	0,44%	0,29%	6,65%
2013 - Q3	11.622.997,22 €	86,52%	3,23%	0,66%	1,75%	0,43%	0,28%	0,44%	6,69%
2013 - Q4	18.409.023,67 €	91,97%	1,68%	0,54%	0,71%	0,37%	0,27%	0,23%	4,23%
2014 - Q1	27.441.869,72 €	94,07%	1,40%	0,43%	0,61%	0,16%	0,10%	0,16%	3,06%
2014 - Q2	34.813.480,07 €	94,37%	1,92%	0,41%	0,38%	0,13%	0,13%	0,20%	2,45%
2014 - Q3	37.504.211,28 €	95,43%	1,53%	0,21%	0,33%	0,15%	0,08%	0,05%	2,20%
2014 - Q4	49.618.119,55 €	97,38%	1,03%	0,20%	0,28%	0,05%	0,04%	0,01%	1,01%
2015 - Q1	69.148.914,25 €	97,84%	0,88%	0,20%	0,28%	0,09%	0,03%	0,00%	0,68%
2015 - Q2	86.721.502,91 €	97,85%	1,11%	0,19%	0,22%	0,03%	0,06%	0,02%	0,52%
2015 - Q3	98.566.062,58 €	98,25%	0,81%	0,11%	0,20%	0,05%	0,09%	0,02%	0,47%
2015 - Q4	119.210.272,77 €	98,33%	0,94%	0,14%	0,09%	0,07%	0,05%	0,02%	0,36%
2016 - Q1	138.251.272,75 €	98,42%	0,95%	0,08%	0,12%	0,05%	0,02%	0,00%	0,35%
2016 - Q2	163.505.794,50 €	98,47%	0,94%	0,08%	0,12%	0,06%	0,03%	0,01%	0,28%
2016 - Q3	181.394.099,80 €	98,50%	0,92%	0,09%	0,15%	0,02%	0,05%	0,02%	0,25%
2016 - Q4	209.810.247,66 €	98,55%	0,87%	0,09%	0,20%	0,05%	0,04%	0,00%	0,19%
2017 - Q1	234.181.465,85 €	98,53%	0,89%	0,14%	0,17%	0,04%	0,03%	0,01%	0,19%
2017 - Q2	253.431.112,06 €	98,35%	0,97%	0,14%	0,24%	0,07%	0,02%	0,02%	0,19%
2017 - Q3	264.732.055,90 €	98,42%	0,91%	0,14%	0,17%	0,05%	0,04%	0,06%	0,21%
2017 - Q4	303.818.092,98 €	98,35%	0,95%	0,15%	0,20%	0,06%	0,06%	0,02%	0,22%
2018 - Q1	372.397.434,67 €	98,57%	0,86%	0,14%	0,17%	0,04%	0,02%	0,01%	0,19%
2018 - Q2	441.674.570,86 €	98,56%	0,95%	0,11%	0,14%	0,05%	0,02%	0,01%	0,16%
2018 - Q3	494.461.104,53 €	98,66%	0,81%	0,10%	0,13%	0,07%	0,03%	0,02%	0,17%
2018 - Q4	572.225.768,64 €	98,49%	0,97%	0,10%	0,16%	0,07%	0,03%	0,01%	0,18%


Delinquency rates
7,00%
6,00%
5,00%
4,00%
3,00%
2,00%
1,00%
0,00%
2013 - Q1
2013 - Q2
2013 - Q3
2013 - Q4
2014 - Q1
2014 - Q2
2014 - Q3
2014 - Q4
2015 - Q1
2015 - Q2
2015 - Q3
2015 - Q4
2016 - Q1
2016 - Q2
2016 - Q3
2016 - Q4
2017 - Q1
2017 - Q2
2017 - Q3
2017 - Q4
2018 - Q1
2018 - Q2
2018 - Q3
2018 - Q4
1- 10 days
11- 30 days
31- 60 days
61- 90 days
91- 120 days
121- 149 days
>= 150 days

HISTORICAL PERFORMANCE (DYNAMIC QURTERLY PREPAYMENT)

Quarter	Outstanding Amount eop	Prepayments	% Quarterly
2013 - Q1	11.314.437,85 €	183.100,61 €	1,47%
2013 - Q2	11.072.606,52 €	215.726,57 €	1,91%
2013 - Q3	11.622.997,22 €	106.888,36 €	0,97%
2013 - Q4	18.409.023,67 €	158.238,03 €	1,36%
2014 - Q1	27.441.869,72 €	118.118,32 €	0,64%
2014 - Q2	34.813.480,07 €	195.901,42 €	0,71%
2014 - Q3	37.504.211,28 €	223.996,48 €	0,64%
2014 - Q4	49.618.119,55 €	330.638,58 €	0,88%
2015 - Q1	69.148.914,25 €	436.814,46 €	0,88%
2015 - Q2	86.721.502,91 €	365.598,98 €	0,53%
2015 - Q3	98.566.062,58 €	474.602,56 €	0,55%
2015 - Q4	119.210.272,77 €	816.451,37 €	0,83%
2016 - Q1	138.251.272,75 €	1.214.361,36 €	1,02%
2016 - Q2	163.505.794,50 €	1.352.960,94 €	0,98%
2016 - Q3	181.394.099,80 €	1.600.764,91 €	0,98%
2016 - Q4	209.810.247,66 €	2.081.692,18 €	1,15%
2017 - Q1	234.181.465,85 €	2.689.882,67 €	1,28%
2017 - Q2	253.431.112,06 €	4.532.156,15 €	1,94%
2017 - Q3	264.732.055,90 €	2.813.820,45 €	1,11%
2017 - Q4	303.818.092,98 €	3.881.791,52 €	1,47%
2018 - Q1	372.397.434,67 €	5.251.162,34 €	1,73%
2018 - Q2	441.674.570,86 €	4.894.451,90 €	1,31%
2018 - Q3	494.461.104,53 €	3.860.314,58 €	0,87%
2018 - Q4	572.225.768,64 €	4.864.622,95 €	0,98%


Prepayment rate (Quartely)
2,50%
2,00%
1,50%
1,00%
0,50%
0,00%
2013 - Q1
2013 - Q2
2013 - Q3
2013 - Q4
2014 - Q1
2014 - Q2
2014 - Q3
2014 - Q4
2015 - Q1
2015 - Q2
2015 - Q3
2015 - Q4
2016 - Q1
2016 - Q2
2016 - Q3
2016 - Q4
2017 - Q1
2017 - Q2
2017 - Q3
2017 - Q4
2018 - Q1
2018 - Q2
2018 - Q3
2018 - Q4

Pool Audit

Pursuant to article 22, paragraph 2, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification (including verification that the data disclosed in this Prospectus in respect of the Purchased Receivables are accurate) has been made in respect of the Initial Receivables prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found.

THE SELLER, THE SERVICER, THE CASH MANAGER, THE CLASS A NOTES SUBSCRIBER, THE CLASS B NOTES SUBSCRIBER AND THE GENERAL RESERVE SUBORDINATED LOAN PROVIDER

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

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

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

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

BPSA Italia's activities are totally based in Italy.

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

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

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

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

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

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

UNDERWRITING AND SERVICING PROCEDURES

1. ORIGINATION

General Information

Description of the Seller's dealer network

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

BPSA's network is composed of 17 geographical areas, mixed between Peugeot, Citroen and DS dealership. Every area is followed by a "Business Manager", that is responsible of the animation and follow up of the entire area.

Each dealer enters into a "convention network" according to which it has to fulfil specific criteria (material, human and financial) required from Peugeot, Citroën or DS depending on its status. BPSA primary network includes dealers that distribute products of BPSA, secondary network includes points of sale that can distribute products of BPSA and points of sale that don't distribute financial products of BPSA. In Italy, there are 244 dealers and 222 points of sale (as of June 2019).

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

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

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

2. LOAN UNDERWRITING

Underwriting process

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

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

The global underwriting responsibility is separated in two main areas:

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

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

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

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

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

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

There is an unique credit analysis centre located in Milan (central headquarters). They are mainly in charge of checking the document accuracy, their coherence with the registered data and providing the credit analysis and the credit decisions.

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

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

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

Stages of the underwriting process	**Controls performed by**	**Description**
Transfer of the financing request by the dealer	Credit Analyst	The dealer transfers the credit application and the related customer documents by intranet.
Complementary data acquisition	System	At the same time of data transmission, complementary data is obtained from external databases.
Automatic Checks	System	The system checks if the customer is mentioned in terrorist lists, justice lists, conflict of interest list and verifies specific data with anti-fraud public check systems. In case of a negative outcome or uncertainty the process requires manual intervention.
Credit Scoring	System	The specific IT tool (Scorix) records the application data, calculates the score and sends the final result to GP.

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

3. RISK ASSESMENT

Origination sources

The channels of acquisition of BPSA are as follows:

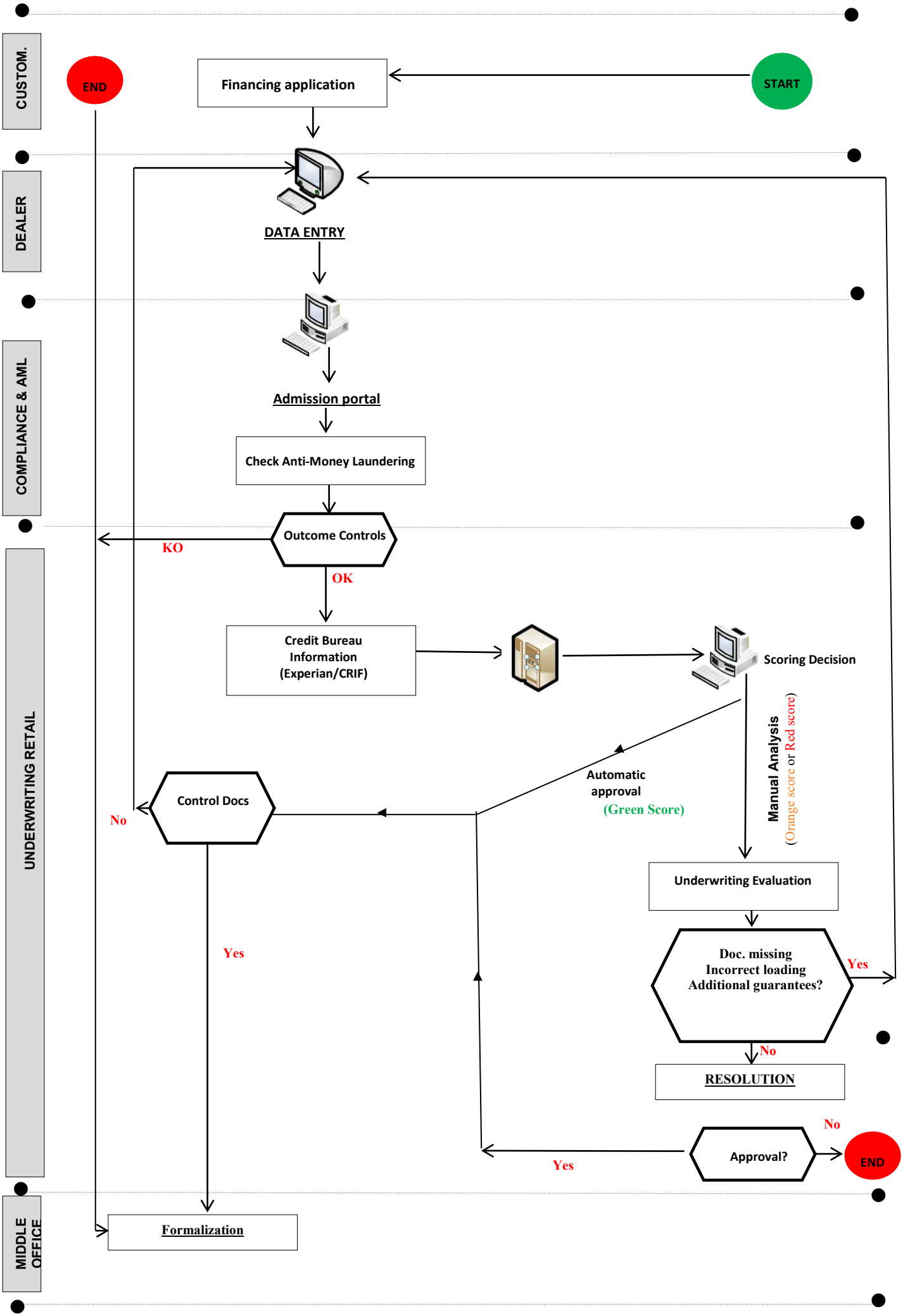
1. retail network owned by BPSA Group;
2. dealers of the three brands (Peugeot, Citroën and DS);
3. secondary network of the three brands (authorized repair centers).
4. "white label" dealers, companies affiliated with our dealers, that sell only used cars.

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

The applicant is required to provide the following documents:

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

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


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

Database checks

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

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

- *BPSA's database* (internal information)

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

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

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

Credit Scoring System

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

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

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

Scorecards

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

Development overview	**Individuals VN**	**Individuals VO**	**Partnership**	**Limited Company**
Target Population	Individuals / self employed	Individuals / self employed	Small Companies	Medium Companies
Segment	New Car/Leasing	Used Car	New Car / Leasing / Used Car	New Car / Leasing / Used Car

Developer	Banque PSA Finance	Nunnatac S.r.l.	Experian Decision Analytics	Experian Decision Analytics

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

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

The result of the scorecard can be:

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

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

Policy Rules

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

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

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

The system uses 3 sets of policy rules: 2 for individuals (32 rules for new car/leasing and 32 rules for used car) and 1 for Small Medium Enterprises (34 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	
GREEN	None	**GREEN**	Automatic Approval
	Manual	**ORANGE 02-03**	Manual Revision
	Reject	**RED**	Manual Reject
ORANGE 01	None	**ORANGE 01**	Manual Revision
	Manual	**ORANGE 02-03**	Manual Revision
	Reject	**RED**	Manual Reject
RED	None	**RED**	Manual Reject

	Manual	**RED**	Manual Reject
	Reject	**RED**	Manual Reject

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

Each zone has a different underwriting process:

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

Authorization levels

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

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

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

To evaluate all the applications, the Underwriting Office has to follow the credit risk procedure (called "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

Collections

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

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

Prepayments

Partial or full prepayments are allowed at any time during the life of the loan. For all the contracts, 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 Euro 10.000,00.

Late payments and litigation

BPSA Collection department comprises 3 services, the Pre-Litigation Service (10 people) and the Litigation Service (8 people) and Project Management (2 people).

- ✓ Pre-Litigation Service is responsible for arrears between 1 and 150 days. The Pre-Litigation Service is mainly responsible for:
  - The Management of Phone Collection, for arrears between 1 and 90 days;
  - the Management Field Collection Service which is responsible for arrears between 91 and 150 days.
- ✓ the Litigation Service (8 people), manages the customers after the resolution of the contracts.
- ✓ Project Mangement (2 people), takes cure of the whole process and it gives support to Collection Department.

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

The recovery process is constituted of 3 main phases:

1) <u>Telephonic recovery process (arrears from 1 to 90 days)</u>

BPSA outsources the first phase of retail collections to the JV Platform based in Madrid (PSA Financial Services Spain E.F.C. SA), composed by 9 Italian FTE. The results of the telephone calls are registered in the system EKIP and the activity is supervised daily. The JV Platform manages the account up to 65 days past due after which the account is transferred to the Italian telephonic platform (Personalised Phone Collection) which is in charge of the recovery process for arrears from 66 to 90 days.

2) <u>Recovery actions performed by recovery inspectors and external agencies through direct contact (arrears from 91 to 150 days)</u>

Contracts are allocated to inspectors or agencies according to their geographical area competence.

Contracts are automatically transferred to inspectors or agencies in the following cases:

- 3 consecutive unpaid instalments when payments are made by direct debit;
- In case the first instalment is overdue;
- Files that are difficult to manage by phone.

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

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

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

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

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

The recovery process in the Litigation Department is the following:

When a contract is more than 150 days past due (it has the code “DTCA” that identifies this phase) it is managed in an extrajudicial way for the maximum period of 6 months. Successively the contract is entrusted to the management of the collection agencies for the maximum period of 3 months. If necessary and if there are no other activities to put in place, the contract is successively assigned to another agency for the maximum period of 3 months. At last, the contract, is entrusted for a legal activity that can be an extrajudicial or judicial action.

The contract is written-off by BPSA 48 months after (Consumer)/24 months after (Financial Leasing) the contract has taken the code DTCA. Position to be marked as Write-off contracts are monthly analysed with the approval of the Director of Collection.

SECURITISATION REGULATION - RETENTION AND TRANSPARENCY 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 by holding all the Principal Amount Outstanding of the Class B Notes, in accordance with option (d) of article 6, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(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 Securitisation Regulation and, upon entry into force, the applicable technical standards;

(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)(d) of the Securitisation Regulation and give relevant information to the Noteholders, prospective transferee of the Notes and the competent authorities in this respect on a quarterly 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, paragraph 3, of the Securitisation Regulation and the applicable Regulatory Technical Standards.

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 quarterly 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 clause 8.9 of the Cash Allocation Management and Payments Agreement and clause 14.3 (a) (ii) of the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement the Seller has been designated as Reporting Entity in accordance with Article 7, paragraph 2, of the Securitisation Regulation.

In such capacity, the Seller, in accordance with the Intercreditor Agreement, has undertaken to the Issuer, the Arranger and the Representative of the Loan Noteholders, that it will, on a quarterly basis within each Sec Reg Report Date:

(a) at its own expenses, prepare and deliver, through publication on the website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu), to the Issuer, the Representative of the Noteholders, the Calculation Agent, perspective noteholders, the competent authorities under the Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Banks 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 Securitisation Regulation as specified in annex IV of the CRA 3 Regulation and, upon entry into force of

the relevant technical standards set forth by article 7(3) and article 7(4) of the Securitisation Regulation by the European Commission, as specified by such technical standards;

(b) 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:

(i) within 10 Business Days prior to each Sec Reg Report Date, undertakes to deliver to the Calculation Agent, the Servicer, the Account Banks, 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 undertakes to comply with the provisions of article 7(1)(e) of the Securitisation Regulation as specified in annex VIII of the CRA 3 Regulation and, upon entry into force of the relevant technical standards set forth by article 7(3) and article 7(4) of the Securitisation Regulation by the European Commission, as specified by such technical standards and to the relevant technical standards which, from time to time, will be in force; and

(ii) 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, make available the Sec Reg Investor Report to the Noteholders, the prospective transferees of the Notes and the competent authorities required under the Securitisation Regulation on the website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu); and

(c) in compliance with articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation, notify through the Significant Event Report, prepared by the Calculation Agent on behalf of the Seller, on the basis of the form provided under the regulatory technical standard (Annex XIV) enacted by the European Securities and Markets Authority and which will be replaced with such other form once such regulatory technical standards will be finalised and approved, and in any case without delay upon occurrence thereof, and make available on the website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu) to the Noteholders, the competent authorities set forth under the Securitisation Regulation and prospective noteholders any significant event relating to the Securitisation, such as: 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;

(i) a change in the structural features that can materially impact the performance of the Securitisation;

(ii) a change in the risk characteristics of the Securitisation or of the Purchased Receivables that can materially impact the performance of the Securitisation;

(iii) where the Securitisation ceases to meet the STS requirements in accordance with the Securitisation Regulation or where competent authorities have taken remedial or administrative actions;

(iv) any material amendment to the Transaction Documents;

(v) 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);

(d) comply with any other requirement imposed by the 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 Securitisation Regulation.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, BPSA (in any of its capacities under the Securitisation Regulation), the Arranger or any other Party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

THE ITALIAN ACCOUNT BANK AND PAYING AGENT

The information contained herein relates to and has been obtained from The Bank of New York Mellon SA/NV, Milan Branch. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of The Bank of New York Mellon SA/NV, Milan Branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

The Bank of New York Mellon SA/NV is a Belgian limited liability company established 30 September 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking licence by the former CBFA on 10 March 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Brussels.

The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the European Central Bank and the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of conduct of business.

The Bank of New York Mellon SA/NV engages in servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, The Netherlands, Germany, the United Kingdom, Luxembourg, Italy, France and Ireland.

The Bank of New York Mellon SA/NV, Milan Branch shall act as Italian Account Bank and Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

THE SPANISH ACCOUNT BANK

The information contained in this section related to Banco Santander, S.A. has been obtained from Banco Santander, S.A. and is furnished solely to provide limited information regarding Banco Santander, S.A.

Banco Santander, S.A. was established on March 21, 1857 and is incorporated, with limited liability, under the Laws of the Kingdom of Spain, with its headquarters in Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte (Madrid), Spain, and corporate offices at Paseo de Pereda, numbers 9 to 12, Santander, Spain.Banco Santander, S.A. is the parent bank of Grupo Santander (Santander), a financial group operating principally in Spain, the United Kingdom, other European countries, Brazil and other Latin American countries and the United States.Its corporate purpose is to engage in all kinds of activities, operations and services that are typical of the banking business in general. Its business model focuses on commercial banking products and services with the objective of meeting the needs of its 144 million customers - private individuals, SMEs and businesses, through its global network of branch offices, as well as digital channels, in order to provide top-quality service and greater flexibility.

Additional information is available at www.santander.com.

THE ISSUER

Introduction

Auto ABS Italian Balloon 2019-1 S.r.l., was incorporated on 1 April 2019 as a limited liability company with a sole quotaholder (*società a responsabilità limitata con unico socio*) under the laws of the Republic of Italy and pursuant to the Securitisation Law. The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities and operates under the laws of the Republic of Italy. The Issuer has no employees and no subsidiaries.

The Issuer's registered office is situated at Milan, via Vittorio Betteloni n. 2, telephone no. +39 0277880001 . The Issuer is registered in the Register of Enterprises held in Milan, under number 10763500963 and in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35598.2.

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 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.

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:

Capital	*Euro*
Issued, authorised and fully paid-up capital	10,000
Loan Capital	*Euro*
Class A Notes	554,400,000.00
Class B Notes	105,600,000

Total Capitalisation and Indebtedness	660,010,000

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

Sole director and Auditors

The Issuer is managed by a sole director whose name is Mr. Stefano Bongianino, appointed at the Issuer's incorporation until resignation or revocation. The domicile of Mr. Stefano Bongianino, in his capacity of sole director of the Issuer, is at Via Vittorio Betteloni, 2, 20131, 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.

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

Administration

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

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

Quotaholder's Agreement

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

No material litigation

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

Financial Statements and Auditors' Report

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

USE OF PROCEEDS

The proceeds arising from the issue of the Notes on the Issue Date (being Euro 660,000,000.00), will be credited into the Collection Account and, following the payment of the Principal Component Purchase Price for the Initial Receivables by means of set-off between (i) the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Notes in respect of the Initial Receivables pursuant to the Master Receivables Transfer Agreement, and (ii) the amount due by the Issuer to BPSA on the Issue Date as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, any residual amount will remain credited into the same Collection Account.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. MASTER RECEIVABLES TRANSFER AGREEMENT

On 12 July 2019, the Seller, the Issuer, the Calculation Agent and the Representative of the Noteholders entered into a Master Receivables Transfer Agreement which sets out the conditions under which the Seller shall, on the First Purchase Date, and may, on each Subsequent Purchase Date falling during the Revolving Period, make an offer to the Issuer to purchase all of the Seller's title to and rights and interest in the Receivables identified in the relevant Transfer Offer, without recourse (*pro soluto*), in accordance with Articles 1 and 4 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein and subject to the terms and conditions of the Master Receivables Transfer Agreement.

Selection and offer of Receivables

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

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

No later than 5:00 p.m. (Italian time) on each Subsequent Purchase Date during the Revolving Period, the Seller may (in its sole discretion) propose to the Issuer to purchase from it without recourse (*pro soluto*) Additional Receivables selected on the Subsequent Selection Date. The Master Receivables Transfer Agreement contains also appropriate early termination provisions and trigger for the termination of the Revolving Period.

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

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

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

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

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

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

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

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

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

(b) the amount of the Instalments of the relevant Auto Loan, including 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 transfer of Receivables

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

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

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

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

Transfer Formalities in relation to the Initial Receivables

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

Notice to the Obligors

The Seller has undertaken under the Master Receivables Transfer Agreement to provide each Obligor with a notice of assignment at the time of the first communication related to the relevant 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, the Seller has undertaken to send a notice of assignment to each relevant Debtor, Car Dealer and Car Manufacturer by using a specific form for each respective category of Obligors listed above.

Purchase Price

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

Payment of the Purchase Price in respect of the Initial Receivables

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

Subject to the formalities provided for under the Master Receivables Transfer Agreement having been perfected and completed in respect of the Initial Receivables, the Principal Component Purchase Price of the Initial Receivables will be paid to the Seller on the Issue Date out of the proceeds of the issue of the Notes. On the Issue Date, the Principal Component Purchase Price of the Initial Receivables will be considered as fully paid by the Issuer to the Seller following the set-off between (i) the Principal Component Purchase Price of the Initial Receivables due by the Issuer to BPSA pursuant to the Master Receivables Transfer Agreement, and (ii) the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Notes in respect of the Initial Receivables pursuant to the Master Receivables Transfer Agreement.

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

Payment of the Purchase Price in respect of Additional Receivables

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

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

Repurchase in case of Non-Permitted Renegotiations

Under the Master Receivables Transfer Agreement, the Seller has undertaken to repurchase any Purchased Receivable in respect of which the Servicer has entered into any renegotiations which are Non-Permitted Renegotiations under the terms of the Servicing Agreement. The Seller has undertaken to complete such repurchase 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 Purchased Receivables and, promptly following such payment, the Issuer shall execute and deliver to the Seller (in such place as the Seller shall reasonably direct, subject to the Seller's indemnification, on an after-tax basis, against any costs (including Taxes) associated therewith) any document the Seller may reasonably specify to give effect to such repurchase.

Representations, Warranties and Undertakings of the Seller

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

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

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

Each undertaking of the Seller has been given on the date of signing of the Master Receivables Transfer Agreement, shall be complied with at all times from the date of signing of the Master Receivables Transfer Agreement until the liabilities of the Seller under the Master Receivables

Transfer Agreement have been fully discharged and shall be deemed to be confirmed as fully complied with on each Selection Date, Purchase Date and Payment Date.

Under the Master Receivables Transfer Agreement, the parties have expressly acknowledged and agreed that each representation and warranty of the Seller are given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provision of Article 1495 et seq. of the Italian Civil Code shall not apply in respect thereto and the relevant remedies and indemnity obligations as set out in the Master Receivables Transfer Agreement, shall remain valid until the later of (i) the date on which the Class A Notes have been repaid or cancelled in full or (ii) the date on which all Purchased Receivables owned by the Issuer have been either written off or paid in full and no sums are due and payable by any Obligor or the Seller to the Issuer under the Master Receivables Transfer Agreement. Moreover, the Seller has acknowledged and agreed that all such representations, warranties and undertakings are of essence to the Issuer and are considered as one of the essential and determining conditions to the Issuer for the purpose of entering into the Master Receivables Transfer Agreement.

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

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

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

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

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

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

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

Italian Banking Act, in which case the provisions described in section "*Failure to conform and remedies*" below shall apply;

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

(i) on the relevant Selection Date and Purchase Date, each Receivable complies with (i) the Receivables Eligibility Criteria (or, with respect to items (e), (j) and (k) of Schedule 3 (Eligibility Criteria and Global Portfolio Limits), Part 2 (Receivables Eligibility Criteria), on the relevant Selection Date only) and (ii) when aggregated with all other Purchased Receivables and after taking into account all Receivables to be purchased on such Purchase Date, the Global Portfolio Limits;

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

(iii) no Debtor:

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

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

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

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

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

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

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

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

(e) **Direction, Orders and Instructions**: to comply with any reasonable directions, orders and instructions that the Issuer (or its agents) and the Representative of Noteholders may from time to time give to it in accordance with the Master Receivables Transfer Agreement and

which would not result in it committing a breach of its obligations under the Master Receivables Transfer Agreement or an illegal act;

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

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

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

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

For the purposes of complying with article 20(8) of the Securitisation Regulation, the Seller has represented that: (i) as at the Purchase Date, the Purchased Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Obligors; (ii) as at the Purchase Date, all the Purchased Receivables provide monthly instalment payments of principal and interest at the relevant Contractual Interest Rate after its relevant Selection Date with the sole exception of the final larger Balloon Instalment; and (iii) as at the Selection Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU.

Under the Master Receivables Transfer Agreement:

(a) pursuant to article 20(1) of the Securitisation Regulation, pursuant to the Master Receivables Transfer Agreement the Seller has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law and the provisions of the Italian Factoring Law, all of its right, title and interest in and to the Portfolio. The transfer of the Initial Receivables has been rendered enforceable against the Seller and any third party (including any insolvency receiver of the Seller) through (i) the publication of a notice of transfer in the Official Gazette on 13 July 2019 and (ii) the filing for the registration of the transfer in the companies' register of Milan on 12 July 2019, while the transfer of any Additional Receivables will be rendered enforceable against any third party creditors of the Seller (including any insolvency receiver of the same) through the payment of the relevant Purchase Price to be paid by the Issuer to the Seller with formalities granting the date certain at law (*data certa*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the applicable articles of the Italian Factoring Law. The true sale nature of the transfer of the Purchased Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Seller, which has been made available to PCS and may be disclosed to any relevant competent authority referred to in Article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) pursuant to article 20(5) of the Securitisation Regulation, the transfer of the Initial Receivables has been rendered enforceable against the Seller and any third party (including any insolvency receiver of the Seller) through (i) the publication of a notice of transfer in the Official Gazette

on 13 July 2019 and (ii) the filing for the registration of the transfer in the companies' register of Milan on 12 July 2019, while the transfer of any Additional Receivables will be rendered enforceable against any third party creditors of the Seller (including any insolvency receiver of the same) through the payment of the relevant Purchase Price to be paid by the Issuer to the Seller with formalities granting the date certain at law (*data certa*) pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the applicable articles of the Italian Factoring Law; therefore, the requirements of article 20(5) of the Securitisation Regulation are not applicable;

(c) pursuant to article 20(8) of the Securitisation Regulation, the Seller has represented that, as at the Selection Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU;

(d) pursuant to article 20(9) of the Securitisation Regulation, the Seller has represented that, as at the Selection Date, the Portfolio does not comprise any securitisation positions;

(e) pursuant to article 20(11) of the Securitisation Regulation, the Seller has represented that, as at the Purchase Date, none of the Purchased Receivables was as at the Selection Date an exposure in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or an exposure to a credit-impaired debtor or guarantor, who, to the best of the Seller's knowledge: (A) 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, except if: (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Purchas Date; and (ii) the information provided by the Seller and the Issuer in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; (B) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (C) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised;

(f) pursuant to article 20(12) of the Securitisation Regulation, the Seller has represented that, as at the Purchase Date, the Debtors have made at least one payment in respect of the Auto Loan Contracts; and

(g) pursuant to article 21(6) are envisaged appropriate early amortisation provisions and trigger for termination of the Revolving Period (in this respect, reference is made to the definitions of "*Accelerated Amortisation Events*" and "*Amortisation Events*").

Failure to conform and remedies

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

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

The amount payable by the Seller to the Issuer as a consequence of such rescission will be equal to (A) 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; and (B) in the circumstances contemplated under clause 11(b)(B) 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 the relevant Affected Receivables 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 are governed by, and shall be construed in accordance with, Italian law.

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

2. SERVICING AGREEMENT

On 12 July 2019, the Issuer, the Servicer, the Calculation Agent and the Representative of the Noteholders entered into the Servicing Agreement, pursuant to which the Issuer has appointed BPSA as Servicer.

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

Under the Servicing Agreement, the Servicer has agreed, *inter alia*:

(a) to collect all amounts to be paid by the Obligors in relation to the Purchased Receivables and to transfer all amounts in relation to the collection of the Purchased Receivables and all amounts payable by the Servicer under the Servicing Agreement to the Issuer in accordance with the provisions set out in the Servicing Agreement;

(b) to do all things necessary for the collection and possible recovery of all the Purchased Receivables, including exercising all remedies provided by law and under the Auto Loan Contracts, including the enforcement of any Ancillary Rights and/or other related security

with the level of care and diligence it would employ if the Purchased Receivables were its own property;

(c) to conduct monitoring activities in relation to the Portfolio and the Securitisation and to administer, preserve and enforce all rights of the Issuer generally in relation to the Portfolio (including the Ancillary Rights (and the Other Rights, if applicable)), according to the Servicing Procedures;

(d) if any Purchased Receivable becomes a Defaulted Receivable, to initiate, prosecute and manage, in accordance with the terms of the Servicing Agreement, all Foreclosure Proceedings, Enforcement Proceedings and Insolvency Proceedings, on behalf and, if necessary, in the name of the Issuer;

(e) to prepare and deliver all notices, communications and documents to be sent by the Issuer, in its capacity as owner of the Purchased Receivables, to the relevant Obligors;

(f) to prepare and maintain on behalf of the Issuer the electronic data storage system (*Archivio Unico Informatico*) or any equivalent database if requested by applicable laws;

(g) to effect, on behalf of the Issuer, the to the *Centrale dei Rischi* and to the *Segnalazioni di vigilanza delle istituzioni creditizie e finanziarie*, and provide any assistance which may be required in order to enable the Corporate Servicer to effect, on behalf of the Issuer, the reporting provided for by the Bank of Italy's supervisory system applicable to companies established pursuant to the Securitisation Law;

(h) to maintain on behalf of the Issuer the "*contabilità sezionale clienti*" relating to the Debtors of the Purchased Receivables and to promptly deliver (i) to the Issuer and the Calculation Agent all data relating to the Purchased Receivables and the relevant Available Collections which are necessary to the maintenance and updating of the Issuer's accounting books and records and (ii) to the Corporate Servicer all information and data necessary to it for preparing the financial statements of the Issuer;

(i) to comply with Italian anti-money laundering law and regulations with reference to the Securitisation;

(j) to provide accurate, complete and punctual information with regard to the Portfolio to enable the Corporate Servicer to effect its duties on behalf of the Issuer;

(k) if and to the extent any of the Purchased Receivables and/or the Auto Loan and/or the Auto Loan Contract and/or the 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);

(l) to perform all other servicing activities and functions (within the meaning given to such expression under the Securitisation Law and the Implementing Regulations) relating to the

Securitisation and not specified herein, which must be performed by the Servicer pursuant to the terms of the Securitisation Law and the Implementing Regulations; and

(m) to perform all its duties under the Servicing Agreement with diligence and in accordance with all applicable laws and regulations, including the Securitisation Law, the Servicing Procedures and pursuant to specific instructions that, on certain conditions, may be given to it by the Issuer and/or by the Calculation Agent and/or by the Representative of the Noteholders in accordance with the terms of the Transaction Documents.

Servicing Procedures

Under the Servicing Agreement, the Servicer has undertaken that it shall take into consideration the interests of the Noteholders and shall refer, at all times, to the Servicing Procedures, the instructions agreed with or provided by, *inter alios*, the Issuer and/or the 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 of the Servicer herein and more generally with the standard of care that it applies to its own business.

In performing its obligations under the Servicing Agreement in relation to the administration, the recovery and the collection of the Receivables, the Servicer shall strictly comply with:

(a) the provisions of the Servicing Agreement;

(b) the provisions of the relevant Auto Loan Contracts; and

(c) the Servicing Procedures, as they may be amended from time to time in accordance with the provisions of the Servicing Agreement.

The Servicer may make amendments at any time to the Servicing Procedures provided that:

(a) the Servicer reasonably believes that to do so is unlikely to cause a Material Adverse Effect; or

(b) the amendment is required to be made to comply with any applicable law and regulation (including for the avoidance of doubt the Securitisation Law and the Implementing Regulations), *provided that* the Servicer shall not make any material amendment to or substitution of the Servicing Procedures where such amendment relates directly to:

    (i) the write-off policy, early termination policy or the categorisation of Delinquent Receivables or Defaulted Receivables;

    (ii) the collection procedures in respect of Delinquent Receivables;

    (iii) the categorisation of any type of Debtor and/or Auto Loan Contract as a New Car or Used Car; and

    (iv) the dunning procedures and recovery of collateral following a Debtor default,

unless the Servicer has received the prior written approval of, *inter alios*, the Issuer and the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, 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 Purchased Receivable, provided that:

(a) such Permitted Renegotiation shall not be a modification in the number, the amounts (including any change of interest rate) or the dates of payment of the Instalments initially scheduled under the relevant Auto Loan Contract (other than for the dates of payments as described in the definition of Permitted Renegotiation), 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; and

(b) the relevant Purchased Receivable shall comply with the applicable Eligibility Criteria after such Permitted Renegotiation.

In the event that the Servicer enters into any renegotiations which are Non-Permitted Renegotiations, the Servicer shall notify, *inter alios*, the Seller, the Issuer, the Calculation Agent, the Representative of the Noteholders promptly of such event), following which the Seller shall repurchase the corresponding Purchased Receivables in accordance with the terms of the Master Receivables Transfer Agreement. It remains understood that the Servicer will enter into a Non-Permitted Renegotiations if (i) it is not for speculative purposes aimed at achieving a better performance for the Securitisation; (ii) it does not affect the interests of the Noteholders; (iii) it is aimed at ensuring equal treatment between the Debtors of the Purchased Receivables and the debtors/borrowers under auto loan contracts with the Seller which are not included under the Securitisation.

STS representation under the Servicing Agreement

For the purpose of compliance with article 21(7) of the Securitisation Regulation, the Servicing Agreement duly sets forth the contractual obligations, duties and responsibilities of the Servicer and the Back-Up Servicer Facilitator. In addition, the Servicing Agreement contains provisions aimed at ensuring a default by or an insolvency of the Servicer does not result in a termination of the servicing, including the replacement of the defaulted or insolvent Servicer with the Successor Servicer.

For the purpose of compliance with article 21(8) of the Securitisation Regulation, the Servicer, under the Servicing Agreement, has represented that it has the required expertise in servicing auto loans which are of a similar nature as the Auto Loan Contracts within the meaning of article 21(8) of the Securitisation Regulation, as (i) it is a bank authorised and regulated by the Bank of Italy and enrolled in the register of the banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Italian Banking Act and complies with the prudential and capital requirements established by the Bank of Italy with respect to the banks, (ii) it has a minimum of 5 years' experience in servicing auto loans and (iii) it has well documented and adequate policies, procedures and risk management controls relating to the servicing of the Purchased Receivables.

Collection of the Receivables

The Servicer shall procure that, on each Instalment Due Date on which a payment has to be made by a Debtor through direct debit on a current account under the terms of the relevant Auto Loan Contract, the current account indicated by such Debtor is debited for an amount equal to the sum due in relation to the relevant Purchased Receivable pursuant to the relevant Auto Loan Contract and the Servicer Collection Account is credited for that amount.

If, under the terms of the relevant Auto Loan Contract, the Debtor is required to make the relevant payments through postal bulletin (*bollettino postale*), the Servicer shall provide in a timely manner the relevant Debtor with a pre-filled (or new pre-filled) set of postal bulletins or the details of the Servicer postal account into which the payments shall be credited (the **Servicer Postal Account**).

The Servicer shall, as soon as reasonably practicable, and in any case by no later than the second Business Day following the date of receipt, transfer the amounts so received from the relevant Debtors from the Servicer Postal Account to the Servicer Collection Account.

Servicer Collection Account

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

The Servicer Collection Account is intended to be a segregated account for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law, opened by the Servicer in the context of the Securitisation and all amounts collected on behalf of the Issuer and other amounts pertaining to the Securitisation and credited to the Servicer Collection Account will be treated to all intents and purposes as indicated in article 3, paragraph 2-*ter* of the Securitisation Law. The Servicer has undertaken to keep full and complete and separate accounting evidence of the sums and collections received in respect of each Purchased Receivable.

Transfer of Available Collections to the Collection Account

Under the Servicing Agreement, the Servicer has undertaken to transfer into the Collection Account all the Available Collections by no later than the second Business Day following receipt of such amounts.

Adjustments

On each Information Date, the Calculation Agent shall verify the amount of the Collections transferred to the Collection Account in relation to the preceding Collection Period and, as the case may be, will determine any adjustments to the amount of Available Collections in relation to the preceding Collection Period as a result of any Adjusted Available Collections in order to ensure that the correct amount of Collections in relation to such preceding Collection Period has been transferred to the Collection Account. As the case may be, such adjustment amount will either be transferred (i) by the Servicer to the Collection Account on the immediately following Settlement Date following such Information Date, if the corresponding amount of Collections received by the Issuer was less than the Collections that have been paid by Customers in respect of such Collection Period or (ii) by the Issuer (or by the Calculation Agent acting on behalf of the Issuer) to the Servicer on the next Settlement Date following such Information Date if the corresponding amount of Collections received by the Issuer exceeded the Collections that has been paid by Customers in respect of such Collection Period, for avoidance of doubt only on the basis of the information contained under the relevant Monthly Servicer Report.

Monthly Servicing Report

On or prior to each Information Date, the Servicer shall prepare the Monthly Servicing Report for the Collection Period immediately preceding such Information Date, in the form of a data file containing the information set out in the Servicing Agreement and deliver it to, *inter alios*, the Issuer, the Representative of the Noteholders, the Cash Manager and the Calculation Agent. The parties to the Servicing Agreement may agree on any amendment to the form of the Monthly

Servicing Report which may be deemed necessary or appropriate in the interest of the Securitisation, provided that any such amendment is notified in writing to all the recipients.

Servicing Fees

In consideration for the services provided under the Servicing Agreement, the Servicer will receive on each Payment Date a fee equal to the sum of:

(i) 1/12 of Euro 10,000 (plus VAT), for technical and advisory activities (including, without limitation, the delivery of the *segnalazioni di vigilanza* and the maintenance of records);

(ii) for the collection and administration of the Performing Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Performing Receivables which are not Delinquent Receivables, serviced by the Servicer as at the beginning of the relevant Collection Period; and

(iii) for the collection, administration and recovery of the Delinquent Receivables and the Defaulted Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Delinquent Receivables and all Defaulted Receivables serviced by the Servicer as at the beginning of the relevant Collection Period (plus VAT if applicable).

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 calendar days from the occurrence of any of such Servicer Termination Events) appoint a substitute servicer.

The Servicer Termination Events include the following events:

(a) the Servicer is Insolvent and/or an order is made or an effective resolution is passed for the Winding-Up of the Servicer in accordance with the applicable laws; or

(b) the Servicer fails to transfer any amount due to be transferred pursuant to the Servicing Agreement and such default is not remedied within 3 Business Days from the date of notification of the non-payment, provided that a delay or failure to make such transfer will not constitute a Servicer Termination Event if such dealy or failure is caused by an event of force majeure (*evento di forza maggiore*); or

(c) the Servicer fails to deliver a Monthly Servicing Report, which is true and correct in all material respects and such default is not remedied within 5 Business Days from the due date;

(d) the Servicer breaches any of its other obligations under the Servicing Agreement or any other Transaction Document to which the Servicer is a party and such failure is materially prejudicial to the interests of the Noteholders (as determined by the Representative of Noteholders in accordance with the Transaction Documents, including the Conditions and the Rules attached thereto) and continues for thirty (30) calendar days in the case of any failure to perform, in each case after the date on which the Representative of Noteholders gives written notice thereof to the Issuer and the Servicer, or the Servicer otherwise has notice or actual knowledge of such failure (whichever is earlier), provided, however, that a delay or failure to perform any obligation will not constitute a Servicer Termination Event if such delay or failure is caused by an event of force majeure (*evento di forza maggiore*); or

(e) any of the representations and warranties made by the Servicer under the Servicing Agreement is false or incorrect in any material respect (other than to the extent that any such representation, warranty, certification or statement made by the Servicer already contains any materiality qualifier) when made or deemed to be made and, where such representation or warranty can, in the opinion of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, including the Conditions and the Rules attached thereto), be remedied by the Servicer, is not remedied in a satisfactory manner within 10 Business Days after notification in writing to the Servicer by the Representative of the Noteholders to remedy such false or incorrect representation or warranty; or

(f) it becomes unlawful for the Servicer to perform the activities it is required to perform under the Servicing Agreement and any other Transaction Document to which it is a party.

In addition, the Servicer may resign from its role pursuant to the Servicing Agreement, by giving a 6-month prior written notice to the Issuer (with copy to the Representative of the Noteholders).

Both termination of and resignation from the appointment of the Servicer pursuant to the Servicing Agreement will be effective as of the Business Day following the date on which the successor servicer appointed by the Issuer has (i) executed an agreement substantially in the form of the Servicing Agreement; and (ii) become a party to the Intercreditor Agreement, or, should such days not fall on a Business Day, such termination or resignation shall be effective as of the first following day that is a Business Day.

Successor Servicer

The entity appointed as Successor Servicer shall be a bank or a company enrolled in the register held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, operating in Italy and with offices in Italy:

(a) having at least 3 (three) years' experience in the administration of claims similar to the Receivables and/or in the business of in-court and out-of-court recovery of claims for substantial amounts on behalf of banks and financial companies in Italy;

(b) which adopts a software system for its business compatible with that of the Servicer at such time;

(c) in the position to ensure, directly or indirectly, the efficient and professional upkeep of the electronic data storage system (*Archivio Unico Informatico*) provided for by Italian laws and regulations on money laundering and, if and to the extent applicable, enable the Issuer to comply with the Bank of Italy's Automated Interbank Risk Service (*Centrale dei Rischi*), and Bank of Italy's supervisory system applicable to financial intermediaries enrolled in the register provided for by Article 106 of the Italian Banking Act (*Segnalazioni di Vigilanza*), if and to the extent applicable; and

(d) whose appointment, to be notified in writing to the Rating Agencies by the Issuer and/or the Representative of the Noteholders, does not entail any material adverse effect on the Notes or the Securitisation.

If a Back-up Servicer is appointed in accordance with the Servicing Agreement, the Back-up Servicer shall be the Successor Servicer.

Cooperation of the Servicer

The Servicer has undertaken, for a period of time not longer than 12 (twelve) months starting from the date of termination of the Servicer's appointment pursuant to the provisions of the Servicing Agreement, to take all requested actions and make all efforts in order to enable the Successor Servicer to perform its duties as a servicer pursuant to the new Servicing Agreement.

Back-up Servicer

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, it being understood that, in case 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 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 Servicing into Back-up Servicing Agreement within 60 days from the occurrence of a Back-up Servicer Implementation Event, the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) shall do so.

Notification to Obligors

Upon the occurrence of any of the Notification Events indicated under the Servicing Agreement, the Servicer or the Issuer (as applicable) shall promptly (and in any case within 30 calendar days) notify each Obligor the transfer of the relevant Purchased Receivable to the Issuer, and instruct each Obligor to make any payment in respect of the relevant Purchased Receivable directly to the Collection Account in the name of the Issuer.

Governing law and jurisdiction

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

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

3. CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

On 12 July 2019, the Issuer, the Cash Manager, the Seller, the Servicer, the Calculation Agent, the Spanish Account Bank, the Italian Account Bank, the Paying Agent and the Representative of the Noteholders entered into the Cash Allocation, Management and Payment Agreement, pursuant to which, *inter alia*:

(a) BPSA has been appointed by the Issuer as Cash Manager to manage and administer all amounts standing to the credit of the Issuer Accounts;

(b) Banco Santander, S.A. has been appointed by the Issuer as Spanish Account Bank to provide account management and administration services in relation to the operations of the Issuer Accounts opened with it;

(c) Zenith Service S.p.A. has been appointed by the Issuer as Calculation Agent to make certain verification and calculations in relation to the Purchased Receivables, to prepare reports, including the Investor Report, on behalf of the Issuer and to operate the Issuer Accounts (other than making payments due under the Notes and to the Issuer Secured Creditors); and

(d) The Bank of New York Mellon SA/NV, Milan Branch has been appointed by the Issuer as (i) Italian Account Bank to provide account management and administration services in relation to the operations of the Issuer Accounts opened with it and (ii) Paying Agent to make payments due under the Notes and to the Issuer Secured Creditors according to the Priority of Payments.

Operation of the Issuer Accounts

Under the Cash Allocation, Management and Payment Agreement, each of the parties thereto have agreed to make the payments into and withdrawals from the Issuer Accounts as set out thereunder and that no other payments into or withdrawals from the Issuer Accounts other than those set out thereunder shall be permitted (for a description of the operation of the Issuer Accounts, please see section headed "*Issuer Accounts*").

Interest will accrue on the balance from time to time held to the credit of each of the Issuer Accounts at the rate separately agreed between the Issuer and the relevant Account Bank, on the basis of actual days elapsed during a 360 (three hundred and sixty) day year, by crediting the relevant Issuer Account with the amount thereof on and for value on the last Business Day of each month.

Under the Cash Allocation, Management and Payment Agreement, each of the Account Banks shall be an Eligible Institution.

Purchase Process, Verifications and Calculations

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to determine, on the Information Date immediately following the end of a Collection Period, using the information in the Monthly Servicing Report provided by the Servicer on such Information Date and the statements of account provided by the Spanish Account Bank, whether all Collections which fell due during such Collection Period were collected by the Servicer. If any such Collections were not collected by the Servicer and transferred to the Issuer in accordance with the terms of the Servicing Agreement (taking into account any adjustments to the Collections), the Calculation Agent shall consult with the Servicer with a view to understanding the reasons for the shortfall in the Collections, failing which it shall notify the Issuer, the Cash Manager and the Representative of the Noteholders on or prior to the immediately following Calculation Date.

The Issuer (through the Corporate Servicer and the Calculation Agent) will give the necessary instructions to the Italian Account Bank to ensure that the Principal Component Purchase Price of the Initial Receivables purchased by the Issuer from the Seller in accordance with the Master Receivables Transfer Agreement and subject to, *inter alia*, the perfection formalities provided thereunder, will be debited from the Collection Account on the Issue Date and that the Payment Account is debited from the Interest Component Purchase Price on each Payment Date on which

there are Available Distribution Amounts applicable to such payment in accordance with the applicable Priority of Payments.

Following each Subsequent Purchase Date on which Additional Receivables have been purchased by the Issuer from the Seller in accordance with the Master Receivables Transfer Agreement, the Issuer or, upon the service of a Trigger Event Notice on the Issuer, the Representative of the Noteholders will give the necessary instructions to the Italian Account Bank to ensure that from the Payment Account will be debited (i) the Principal Component Purchase Price of the Receivables, on the Payment Date immediately following the relevant Subsequent Purchase Date and (ii) the Interest Component Purchase Price, on each Payment Date on which there are Available Distribution Amounts applicable for such payment in accordance with the applicable Priority of Payments.Investor Report.

On or prior to each Calculation Date and subject to the Calculation Agent having received details of each amount or item of information listed in the Cash Allocation, Management and Payment Agreement, the Calculation Agent shall prepare an Investor Report substantially in the form set out in the Cash Allocation, Management and Payment Agreement with respect to the Payment Date immediately succeeding such Calculation Date.

The draft Investor Report shall be transmitted to the Servicer for review and validation prior to distribution to the other parties.

On each Calculation Date, the Calculation Agent shall deliver the Investor Report to the Issuer, the Account Banks, the Paying Agent, the Servicer, the Cash Manager, the Representative of the Noteholders and the Rating Agencies.

Each Investor Report shall be deemed to constitute an instruction from the Issuer to the Account Banka and the Paying Agent to make the payments and transfers set in such Investor Report (including any payment to be made to any Other Issuer Secured Creditors).

On each Calculation Date, the Calculation Agent shall calculate the following ratios concerning the Purchased Receivables:

(a) the Delinquency Ratio;

(b) the Average Delinquency Ratio;

(c) the Default Ratio; and

(d) the 3m Default Ratio,

and determine whether or not any Portfolio Performance Trigger is breached.

The Issuer (or the Corporate Servicer on its behalf) shall ensure that copies of the Investor Reports are made available, on each Calculation Date, to the holders of the Class A Notes (and prospective holders of the Class A Notes, subject to the consent of the Seller and the Servicer) on the website of the Stock Exchange (www.bourse.lu) and for collection from its office during usual office hours on any weekday and in compliance with any requirements in the Conditions.

Remuneration

The Issuer shall pay to the Cash Manager, the Calculation Agent, the Account Banks and the Paying Agent such remuneration in respect of the services to be provided by each of them under the Cash Allocation, Management and Payment Agreement as agreed between the Issuer and such agent or

bank under a separate fee letter executed on or prior to the date of execution of the Cash Allocation, Management and Payment Agreement.

Termination and resignation

Upon the occurrence of any of the termination events indicated under the Cash Allocation, Management and Payment Agreement, the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) or the Representative of the Noteholders shall (in accordance with the terms of the Transaction Documents), by notice in writing to the relevant party, terminate the appointment of the Cash Manager, the Calculation Agent, the relevant Account Bank and/or the Paying Agent (as the case may be) with effect from a date (not earlier than the date of the notice) specified in the notice.

Each of the Calculation Agent, the Paying Agent, the Cash Manager and the Account Banks may at any time resign from its respective appointment under the Cash Allocation, Management and Payment Agreement by giving to, *inter alios*, the Issuer and the Representative of the Noteholders, not less than 60 (sixty) days' prior written notice to that effect.

Upon the resignation by or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) and with prior notice to the Rating Agencies, immediately appoint a relevant successor, provided that no resignation or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent shall take effect until the relevant successor has been appointed and has agreed to be bound by the provisions of the Intercreditor Agreement and has entered into an agreement on the same terms *mutatis mutandis* as the Cash Allocation, Management and Payment Agreement or on such other terms as the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may approve.

If any Account Bank ceases to be an Eligible Institution, it shall have the right, within 30 (thirty) calendar days from the date on which it has ceased to be an Eligible Institution (the **Grace Period**) to, at its own costs and expenses:

(a) arrange for a guarantee with an Eligible Institution which is in substance acceptable to the Representative of the Noteholders (so that the then current rating of the Class A Notes is not negatively affected); or

(b) procure the transfer of the relevant Issuer Accounts to any other institution which is an Eligible Institution, subject to establishing arrangements substantially similar to those contained in the Cash Allocation, Management and Payment Agreement.

Securitisation Regulation – STS Requirements

For the purposes of compliance with the requirements set forth under the Securitisation Regulation for STS-Securitisations, and in particular for the purpose of compliance with article 21(7) of the Securitisation Regulation, the Cash Allocation, Management and Payment Agreement duly sets out the contractual obligations, duties and responsibilities of the Cash Manager, the Calculation Agent, the Account Banks and the Paying Agent. Furthermore, the Cash Allocation, Management and Payment Agreement contains provisions aimed at ensuring the replacement of each agent appointed thereinin case of its default, insolvency or other specified events.

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 12 July 2019, the Issuer and the other Transaction Parties entered into the Intercreditor Agreement in order, *inter alia* (a) to agree the cash flow allocation of the proceeds in respect of the Portfolio, (b) to agree the rights of the Representative of the Noteholders in respect of the Issuer Security, (c) for the Other Issuer Secured Creditors to acknowledge the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the other Transaction Documents, (d) for the Issuer to covenant to the Other Issuer Secured Creditors in the terms set out in the Conditions, the Rules and in relation to the Issuer Accounts, and (e) for the Issuer to grant a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of a Trigger Event Notice, the Representative of the Noteholders shall be authorised under Article 1723, second paragraph, of the Italian Civil Code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Secured Creditors, all the Issuer's contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell it in whole or in part, in the interest of the Noteholders and the Other Issuer Secured Creditors.

Representative of the Noteholders – Mandate by the Issuer

Under the Intercreditor Agreement, the Issuer has irrevocably appointed, from the Issue Date, the Representative of the Noteholders, as its true and lawful agent (*mandatario con rappresentanza*) in the interests, and for the benefit of the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1411 and Article 1723, second paragraph of the Italian Civil Code, to exercise, in the name and on behalf of the Issuer, all and any of the Issuer's rights arising from each of the Transaction Documents to which the Issuer is or will be a party, including (without limitation) the right:

(a) to exercise the rights of the Issuer in relation to the Portfolio pursuant to the Transaction Documents (other than, in respect to the Servicing Agreement, the collection and recovery of the Purchased Receivables which shall continue to be performed by the Servicer pursuant to the Servicing Agreement) and in particular, to dispose of the Portfolio in accordance with the Conditions and the Rules and to enforce the Issuer Security;

(b) to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents;

(c) to carry out any ancillary transaction or arrangement in connection with a disposal of the Portfolio in accordance with paragraph (a) above which the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may, in its absolute discretion, consider appropriate;

(d) to receive any amounts payable to the Issuer in relation to the Purchased Receivables and/or under the Transaction Documents;

(e) to operate the Issuer Accounts;

(f) to require performance by each of the Other Issuer Secured Creditors of any of its obligations under the Transaction Documents, or its rights to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Portfolio or the Transaction Documents;

(g) to distribute any amounts received by the Issuer in respect of the Portfolio and under or in connection with the Transaction Documents, in accordance with the applicable Priority of Payments.

The mandate from the Issuer to the Representative of the Noteholders shall take effect upon the earlier to occur of:

(a) the occurrence of a Trigger Event; and

(b) the occurrence of a Specified Event (but in this case, such mandate and the related power of attorney shall be limited to authorising and empowering the Representative of the Noteholders to exercise or enforce the rights, entitlements, or remedies, or to exercise the discretions, authorities, or powers to give any direction or make any determination which the Issuer failed to exercise or enforce, and which gave rise to the occurrence of the Specified Event).

Representative of the Noteholders – Mandate by the Other Issuer Secured Creditors

Under the Intercreditor Agreement, the Other Issuer Secured Creditors have jointly appointed the Representative of the Noteholders as their agent (*mandatario con rappresentanza*) to act in accordance with the provisions of Articles 1723, second paragraph and 1726 of the Italian Civil Code and have authorised the Representative of the Noteholders to, inter alia, do any act, matter or thing which it considers necessary to exercise or protect the Other Issuer Secured Creditors' rights under any of the Transaction Documents, including to dispose of the Portfolio, enforce the Issuer Security and receive, following the service of a Trigger Event Notice, all monies payable by the Issuer to the Other Issuer Secured Creditors, such monies to be timely paid to the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

Conflict of interests

Under the Intercreditor Agreement, each of the Issuer Secured Creditors (other than the Representative of the Noteholders) has acknowledged and agreed that, in accordance with the provisions of the Conditions and the Rules, the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Class A Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post Enforcement Priority of Payments.

Priorities of Payments

Each party to the Intercreditor Agreement have agreed and acknowledged that funds available to the Issuer will be applied in accordance with the Priorities of Payments provided for under the Conditions.

Undertakings

Pursuant to the Intercreditor Agreement, the Issuer has, *inter alia*, undertaken to (i) grant a Spanish law pledge over the Securities Account upon first deposit of securities into the relevant account, by entering into a pledge agreement substantially in the form of the Spanish Pledge Agreement, and (ii) procure that a leading international law firm issues a legal opinion as to the validity and the enforceability of such pledge, provided that the pledge agreement and the related legal opinion shall be notified in advance to the Rating Agencies.

Subordination, Limited Recourse, Deferral and Non-Petition

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall at all times be subject to the subordination provisions set out in the Conditions, and (ii) that, pursuant thereto, *inter alia*:

(a) its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall, in accordance with the Priorities of Payments, at all times be subordinated to the rights, claims and remedies of all the Noteholders, all other Issuer Secured Creditors and all Connected Third Party Creditors in the manner provided therein; and

(b) no amount payable by the Issuer to any Noteholder or any Other Issuer Secured Creditor under the Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it other than the manner provided therein.

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall be subject to the provisions of Condition 17 (*Non Petition and Limited Recourse*) and (ii) that, pursuant thereto, *inter alia*, in certain circumstances (as specified therein) where the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation are not sufficient to discharge such payment obligation in full, only a *pro rata* share of the funds which available therefor shall be due and payable, and the balance which would otherwise have been due and payable in respect thereof shall cease to be due and payable and shall be definitively cancelled, all subject to and in accordance with Condition 17 (*Non Petition and Limited Recourse*).

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 4.5 (*Order of Priority – Deferral under the applicable Priority of Payments*) and (ii) no interest shall accrue on the amounts subject to deferral payments.

Each Party to the Intercreditor Agreement has acknowledged and agreed to be bound by the non-petition provisions of Condition 11 (Enforcement) and that pursuant thereto, *inter alia*:

(a) following the occurrence of a Trigger Event the Representative of the Noteholders has the right to enforce the Issuer Security, including without limitation by disposing of the Portfolio in whole or in part, but shall not be obliged to do so other than in the limited circumstances specified in such Condition;

(b) other than in the limited circumstances specified in the Conditions, the Representative of the Noteholders shall be the only person entitled under the Conditions and under the Transaction

Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Issuer Security and otherwise in respect of amounts due under the Notes and/or the Transaction Documents and no Other Issuer Secured Creditor shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer;

(c) it shall not at any time exercise against the Issuer any right of netting, set-off, counterclaim or subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code.

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.

Securitisation Regulation -Retention and Transparency Requirements

Under the Intercreditor Agreement, the Seller has undertaken that it will comply with the retention and transparency requirements as required under the Securitisation Regulation in the manner described in the section "*Securitisation Regulation -Retention and Transparency Requirements*" of this Prospectus.

STS representations under the Intercreditor Agreement

Under the Intercreditor Agreement:

(i) for the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, the Seller has represented that it is a joint stock company authorized to operate as a bank pursuant to Article 13 of the Italian Banking Act and its "centre of main interests" (as that term is used in article 3(1) of the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings) and its "Home Member State" (as that term is used in Article 1, point (6) of Directive 2000/12/EC relating to the taking up and pursuit of the business of credit institutions) are 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;

(ii) for the purposes of compliance with article 20(6) of the Securitisation Regulation, the Seller has represented and warranted that, to the best of its knowledge, as at the Purchase Date, the Purchased Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect;

(iii) for the purpose of compliance with article 20(7) of the Securitisation Regulation, the Seller has represented that: (A) the Purchased Receivables meet the Eligibility Criteria and the Global Portfolio Limits set forth under the Master Receivables Transfer Agreement and (B) none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Purchased Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Purchased Receivables without considering the portfolio management strategy of the Servicer, or (ii) a portfolio management which is performed

for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit;

(iv) for the purpose of compliance with article 20(8) of the Securitisation Regulation, as at the Purchase Date, the Purchased Receivables (i) comply with Article 1 (*Homogeneity of the underlying exposures in non-ABCP and ABCP STS securitisation*) of the regulatory technical standards relating to homogeneity of the underlying exposures in securitisation and (ii) with particular reference to Article 3 (*Homogeneity Factors*), paragraph 5, are homogeneous with regard to the homogeneity factor available for auto loans under Article 3(5)(b) (*Jurisdiction*) of such regulatory technical standards as all the Obligors have residence in Italy;

(v) for the purpose of compliance with article 20(10) of the Securitisation Regulation, the Seller has represented and warranted that, as at the Purchase Date, (i) all the Purchased Receivables have been originated in the ordinary course of the Seller's business pursuant to underwriting standards, being the Servicing Procedures, that are no less stringent than those that the Seller applied at the time of origination of similar exposures that are not securitised and (ii) it has assessed the Debtors' creditworthiness in accordance with the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU. Furthermore the Seller has represented that it (i) has more than 5 (five) year-expertise in originating exposures of a similar nature to the Purchased Receivables and (ii) is a bank authorised and regulated by the Bank of Italy and enrolled in the register of the banks (albo delle banche) held by the Bank of Italy pursuant to article 13 of the Italian Banking Act complying with the prudential and capital requirements established by the Bank of Italy with respect to the banks. Finally, the Seller has confirmed that the underwriting standards pursuant to which the Purchased Receivables have been originated have not been materially amended so far and has undertaken to fully disclose to potential investors without undue delay such underwriting standards and any material changes from prior underwriting standards;

(vi) for the purposes of compliance with article 20(13) of the Securitisation Regulation, the Seller has represented that the Auto Loans are auto loans whose repayment is not dependent on the sale of the relevant Car;

(vii) for the purpose of compliance with article 21(1) of the Securitisation Regulation, the Seller has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(viii) for the purpose of compliance with article 21(2) of the Securitisation Regulation, the Seller has represented that (i) there is no interest rate risk considering that both the rate of interest under the Purchased Receivables and the rate of interest under the Notes are fixed; (ii) pursuant to Condition 3 (*Covenants*), the Issuer has covenanted not to enter into any derivatives; and (iii) in accordance with the Eligibility Criteria the Portfolio does not include derivatives. In addition, there is no currency risk under the Securitisation being both the Purchased Receivables and the Notes are denominated in Euro;

(ix) for the purposes of compliance with article 21(3) of the Securitisation Regulation, the Seller has represented that the rates of interest on the Auto Loan Contracts originating the Purchased Receivables are based on generally used market interest rates;

(x) for the purposes of compliance with article 21(9) of the Securitisation Regulation, the Seller has represented that (a) the Servicing Procedures and a separate servicing manual set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies; and (b) the Transaction Documents clearly specify the Priorities of Payments, the events which trigger changes in such Priorities of Payments as well as the obligation to report such events, and any change in the Priorities of Payments which will materially adversely affect the repayment of the Notes shall be reported to investors without undue delay through the Investor Report;

(xi) for the purposes of compliance with article 22(1) of the Securitisation Regulation, the Seller has made available, before pricing, through the section of the Prospectus headed "*The Portfolio -Historical Performance Data*", to potential investors data on static and dynamic historical default performance relating to the five years period in respect of receivables substantially similar to the Purchased Receivables;

(xii) for the purposes of compliance with article 22(2) of the Securitisation Regulation, the Seller has represented that, prior to the Issue Date, a representative sample of the Purchased Receivables has been submitted to the external verification of an appropriate and independent party which (i) had the experience and the capability to carry out the verification and (ii) was not a credit rating agency, a third party verifying compliance with the STS Requirements, or an affiliate of the Seller. Such external verification included the verification of the compliance of the Purchased Receivables with the Eligibility Criteria and the verification of the fact that the data disclosed in any formal offering document in respect of the Purchased Receivables are accurate;

(xiii) for the purposes of compliance with article 22(3) of the Securitisation Regulation, the Seller has made available, before pricing, to potential investors a liability cash flow model which precisely represents the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer on Intex website . In addition, the Seller has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of Intex (being, as at the date of this Prospectus, https://www.intex.com), a liability cash flow model which precisely represents the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer;

(xiv) for the purposes of compliance with article 22(4) of the Securitisation Regulation, the Seller has undertaken to include the environmental performance of the Cars in the Sec Reg Asset Level Report, field AUTL57 (or such other field which will be required upon entering into force of the relevant technical standards), where available to the Seller; and

(xv) for the purposes of compliance with article 22(5) of the Securitisation Regulation, the Seller has been designated as Reporting Entity in accordance with article 7(2) of the Securitisation Regulation. Pursuant to the Intercreditor Agreement, the Seller has also confirmed that (i) after the Issue Date, it will comply with Article 7 of the Securitisation Regulation by providing (directly or through its agents) the information required by Article 7(1) through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu); and (ii) it, as initial holder of the Notes, has been, before pricing, in possession of the data relating to each Purchased Receivable (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation) and of the information under

points (b) and (d) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation.

Finally, for the purpose of compliance with article 21(7) of the Securitisation Regulation, the Intercreditor Agreement duly sets forth the contractual obligations, duties and responsibilities of the Representative of the Noteholders.

Governing law and jurisdiction

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

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

5. GENERAL RESERVE SUBORDINATED LOAN AGREEMENT

On 12 July 2019, the Issuer, the Cash Manager, the General Reserve Subordinated Loan Provider, the Calculation Agent and the Representative of the Noteholders entered into the General Reserve Subordinated Loan Agreement, pursuant to which the General Reserve Subordinated Loan Provider has agreed to make available to the Issuer the General Reserve Loan Facility.

On the Issue Date, the General Reserve Subordinated Loan Provider will advance to the Issuer an amount equal to the General Reserve Required Amount calculated as at the Issue Date (the **General Reserve Advance**), for the purposes of funding the General Reserve.

On the Issue Date, an amount equal to Euro 6,600,000.00 will be credited by the General Reserve Subordinated Loan Provider into the General Reserve Account as General Reserve Required Amount.

Interest shall accrue from and including the date of the General Reserve Advance and be payable by the Issuer to the General Reserve Subordinated Loan Provider in arrears on each Payment Date on the outstanding principal amount of the General Reserve Advance in an amount equal to the General Reserve Interest Amount.

No interest shall be paid, except in any such case to the extent that: (i) such payment is permitted by the provisions of the General Reserve Subordinated Loan Agreement and (ii) the Issuer has funds available for that purpose in accordance with the applicable Priority of Payments.

Repayment of the outstanding General Reserve Advance shall be made by the Issuer on each Payment Date up to an amount equal to the General Reserve Repayment Amount, to the extent that the Issuer has funds available for that purpose, on the relevant Payment Date, in accordance with the applicable Priority of Payments.

Governing law and jurisdiction

The General Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of, or in connection with, the General Reserve Subordinated Loan Agreement are governed by, and shall be construed in accordance with, Italian law.

Any disputes arising in respect of the General Reserve Subordinated Loan Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

6. SPANISH PLEDGE AGREEMENT

On 12 July 2019, the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties entered into the Spanish Pledge Agreement, pursuant to which the Issuer has granted a Spanish law pledge over the Collection Account, the General Reserve Account and the Securities Account.

The Spanish Pledge Agreement, and any non-contractual obligations arising out of or in connection with the Spanish Pledge Agreement, are expressed to be governed by and shall be construed in accordance with Spanish law.

7. CORPORATE SERVICES AGREEMENT

On 12 July 2019, the Issuer and the Corporate Servicer entered into the Corporate Services Agreement, pursuant to which the Corporate Servicer agreed to provide certain administrative and accountancy services to the Issuer.

The services include the safe-keeping of the documents pertaining to the meetings of the Issuer's quotaholder, directors and auditors, maintaining the quotaholder's register, preparing tax and accounting records, preparing the Issuer's annual financial statements and, more generally, providing every other corporate service which is relevant for the maintenance of the corporate existence, the licenses of or compliance by the Issuer with applicable provisions of law that may be necessary in connection with the Securitisation, cooperating, if necessary or requested by the Issuer, with the other parties involved in the Securitisation.

The Corporate Services Agreement contains provisions to the effect that upon the resignation by or termination of the appointment of the Corporate Servicer, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents, inclusing 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.

8. QUOTAHOLDER'S AGREEMENT

Pursuant to the Quotaholder's Agreement entered into on 12 July 2019 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.

ISSUER ACCOUNTS

From the Issue Date the Issuer is required at all times to maintain the following accounts in its name with:

(a) the Italian Account Bank:

  (i) the Payment Account;

  (ii) the Expenses Account;

(b) the Spanish Account Bank:

  (i) the Collection Account;

  (ii) the General Reserve Account; and

  (iii) the Securities Account.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

Pursuant to the Cash Allocation, Management and Payment Agreement, the Issuer Accounts will be held with an Eligible Institution.

Pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement, the Issuer Accounts shall be operated as follows:

1. THE COLLECTION ACCOUNT

The Servicer and the Calculation Agent will ensure that the Collection Account shall be:

(a) on the Issue Date, credited with:

  (i) the proceeds of the Notes subscribed for by the Class A Notes Subscriber and the Class B Notes Subscriber (to the extent not subject to set-off with the amounts due to the Seller as Principal Component Purchase Price for the Initial Receivables), pursuant to the terms of the Subscription Agreement;

  (ii) the Collections in respect of the Initial Receivables sold to the Issuer on the First Purchase Date, received by the Seller from (and excluding) the First Selection Date to the Issue Date (excluded);

(b) on the Issue Date, debited by the Principal Component Purchase Price of the Initial Receivables (to the extent not subject to set-off with the amount due by BPSA to the Issuer on the Issue Date as subscription moneis in relation to the Class A Notes and the Class B Notes in respect of the Initial Receivables pursuant to the Master Receivables Transfer Agreement);

(c) on the Issue Date, debited by an amount equal to Euro 50,000.00 to be credited to the Expenses Account as Retention Amount;

(d) on each Business Day from (and including) the Issue Date, credited with any amount of Available Collections received by the Servicer and to be transferred by it in accordance with the provisions of the Servicing Agreement;

(e) 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;

(f) 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 (as applicable);

(g) on each Business Day, credited with any residual amount received by the Issuer from any of the transaction parties pursuant to the Transaction Documents (for the avoidance of doubt, such residual amounts being any amount not included under items from (a) to (i) of the definition of Available Distribution Amount);

(h) 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 during the Revolving Period and the Amortisation Period, by any amounts payable pursuant to the Priority of Payments;

(ii) on each Payment Date during the Accelerated Amortisation Period, by any amounts payable pursuant to the Accelerated Amortisation Period Priority of Payments;

(iii) on each Payment Date during the Post-Enforcement Amortisation Period, if directed by the Representative of the Noteholders, by any amounts payable pursuant to the Post-Enforcement Priority of Payments.

3. THE GENERAL RESERVE ACCOUNT

3.1 The Calculation Agent will ensure that the General Reserve Account shall, on the Issue Date, be credited by the General Reserve Subordinated Loan Provider with an amount equal to Euro 6,600,000.00 as General Reserve Required Amount.

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, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes, 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 50,000.00 as Retention Amount by transferring such amount from the Collection Account.

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 20,000.00 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 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 SECURITIES ACCOUNT

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

TERMS AND CONDITIONS OF THE NOTES

Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes due September 2034
Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes due September 2034

GENERAL

The Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes due September 2034 and the Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes due September 2034 shall be issued on the Issue Date by the Issuer. The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, whose registered office is at Via Vittorio Betteloni, 2, Milan, Italy. The Issuer is enrolled in the companies register of Milan and, on or prior to the Issue Date, shall be enrolled in the register of special purpose vehicles (*Elenco delle Società Veicolo di Cartolarizzazione*) held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017. The Issuer shall issue the Notes pursuant to its by-laws for the purpose of financing, *inter alia*, the payment of the Principal Component Purchase Price of the Initial Receivables.

On or prior to the Issue Date, the Issuer shall publish the Prospectus, which shall constitute the *Prospetto Informativo* for the purposes of Article 2, paragraph 3 of the Securitisation Law in respect of the Notes. Copies of the Prospectus will be available, upon request, to the holder of any Note during normal business hours at the offices of the Issuer, the Representative of the Noteholders and the Corporate Servicer.

This section headed General shall constitute an essential part of, and shall have the same force and effect as if it was set out in, the terms and conditions of the Notes set out below. These Conditions contain summaries, and are subject to the detailed provisions, of the Transaction Documents.

The principal source of funds available to the Issuer for payment of amounts due and payable in respect of the Notes will be collections and recoveries made in respect of the Purchased Receivables purchased from time to time by the Issuer from the Seller pursuant to and in accordance with the Master Receivables Transfer Agreement.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection, upon request, to the holder of any Note during normal business hours at the offices of the Issuer and the Representative of the Noteholders. 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:

3m Default Ratio means the sum of the last 3 available Default Ratios which shall be determined by the Calculation Agent on each Determination Date.

Accelerated Amortisation Event means the occurrence of any of the following events:

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

(d) on any Payment Date, the balance of the General Reserve Account is not replenished up to the General Reserve Required Amount.

Accelerated Amortisation Period means the period from and including the first Payment Date falling on or after the date on which an Accelerated Amortisation Event occurs and ending on the earliest to occur of:

(a) the date on which a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Accelerated Amortisation Period Priority of Payments has the meaning ascribed to such term in Condition 4.2 (*Priority of Payments during the Accelerated Amortisation Period*).

Account Bank means each of the Italian Account Bank and the Spanish Account Bank.

Additional Receivables means the Receivables that may be assigned by the Seller to the Issuer on any Subsequent Purchase Date and identified in the relevant Transfer Offer.

Adjusted Available Collections means any Collection subject to an adjustment pursuant to clause 5.6 (*Adjustments*) of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

Affected Receivable has the meaning ascribed to such term in clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Affiliate means, in relation to any person, any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person (and, for the purposes of this definition, "control" of a person means the power, direct or indirect (i) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person, or (ii) to direct or cause the direction of the management and policies of such person, whether by contract or otherwise).

Aggregate Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

AIFM Regulation means Regulation (EU) no. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (as amended, supplemented and/or replaced from time to time).

Amortisation Event means the occurrence of any of the following events:

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

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

Amortisation Event Notice means the notice to be sent by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Seller, the Servicer and the Noteholders following the occurrence of an Amortisation Event.

Amortisation Period means the period which begins (subject to no Trigger Event or no Accelerated Amortisation Event having occurred during the Revolving Period) on earlier of (i) the Scheduled Revolving Period End Date or (ii) the date on which an Amortisation Event has occurred, and ends on the earliest to occur of:

(a) the date on which an Accelerated Amortisation Event or a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Amortisation Schedule means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment, the interest rate of such Receivable being equal to the Contractual Interest Rate.

Ancillary Right means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and excluding) 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;

(e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred after the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*); and

(f) any indemnity right to be paid by the Insurance Companies under the Insurance Policies.

Arranger means Sociètè Gènèrale .

Arrears Amount means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Purchased Receivables when such Purchased Receivable is a Delinquent Receivable.

Auto Loan means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

Auto Loan Contract means any loan granted by the Seller to any Debtor for the purchase of a Car, including, for avoidance of doubt, 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 Purchased 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 Clause 5.5(iii) of the Servicing Agreement.

Available Distribution Amounts means, on any Payment Date and without double counting, the sum of:

(a) the remaining amount standing to the credit of the Payment Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Collections credited to the Payment Account in respect of the Collection Period immediately preceding such Payment Date;

(c) the income generated by the Eligible Investments made in respect of the Interest Period ending on such Payment Date from the Collection Account;

(d) the interest accrued and credited into the Issuer Accounts (other than the General Reserve Account);

(e) the General Reserve Interest Amount;

(f) any Collection received by the Issuer in relation to the Defaulted Receivables; and

(g) all amounts which were on the preceding Settlement Date standing to the credit of the General Reserve Account and which have been credited on the Payment Account during the Revolving Period or the Amortisation Period or the Accelerated Amortisation Period or the Post-Enforcement Period;

(h) the remaining amount standing to the credit of the Collections Account as of the Issue Date following (i) the payment of the Principal Component Purchase Price of the Initial Receivables (to the extent not subject to set-off with the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Class A Notes and the Class B Notes pursuant to the Master Receivables Transfer Agreement), and (ii) the transfer of the Retention Amount to the Expenses Account.

(i) any other amount received by the Issuer from any of the transaction parties pursuant to the Transaction Documents that is not included under items from (a) to (h) above.

Average Delinquency Ratio means, on any Determination Date, the arithmetic mean of the last three available Delinquency Ratios (including the Delinquency Ratio calculated on that Determination Date).

Back-up Servicer Implementation Event means the failure by each of BPSA, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that (i) as long as one of BPSA, BPF or SCF mantains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred, and (ii) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of BPSA.

Back-up Servicer means the entity which shall be appointed in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event or a Servicer Termination Event, as provided for under the Servicing Agreement.

Back-up 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.

Back-up Servicing Fee means the fee which shall be paid to the Back-up Servicer, if appointed as provided for under the Servicing Agreement, which shall be agreed in accordance with reasonable market practice and shall be paid directly by the Seller

Balloon Auto Loan Contract means an Auto Loan Contract (including VFG Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments and a final larger balloon instalment (the latter, the "**Balloon Instalment**"), namely "*Balloon standard in produzione*" and "*Balloon loyalty in produzione*".

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 68, Avenue Gabriel Péri, 92230 Gennevilliers (France), registered with the Trade and Companies Registry of Paris (France) under number 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

BPSA means Banca PSA Italia S.p.A., *a società per azioni*, incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milan (MI), Italy.

Business Day means a day (other than a Saturday or a Sunday) on which banks settle payments and are

open for general business in Milan, Madrid and Paris and which is not a public holiday in Italy, in Spain and in France.

Calculation Agent means the entity appointed from time to time as calculation agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the date hereof, Zenith Service S.p.A..

Calculation Date means the 4th Business Day before each Payment Date.

Cancellation Date means the later of (i) the Legal Final Maturity Date; (ii) the date when the outstanding amount of the Portfolio will have been reduced to zero; and (iii) the date on which (a) the Representative of the Noteholders has given notice to the Issuer and the Noteholders in accordance with Condition 14 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to the Issuer to pay unpaid amounts outstanding under the Transaction Documents, and (b) the Servicer has confirmed the same in writing to the Representative of the Noteholders.

Car Dealer (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Peugeot, Citroën or DS network in Italy, or a car dealer being franchised with the Peugeot or Citroën network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

Car Manufacturer means PSA Peugeot Citroën as manufacturer of Cars.

Car means, as the case may be, a New Car or a Used Car.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager and the Account Banks.

Cash Manager means the entity appointed from time to time as cash manager by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement being, as at the Issue Date, BPSA.

Class A Noteholder means any holder of the Class A Notes from time to time.

Class A Notes means the Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes which will be issued by the Issuer on the Issue Date.

Class A Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Target Collateral Amount on such Payment Date; (ii) the amount available after application of the Available Distribution Amounts, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Priority of Payments; and (iii) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Priority of Payments),

it being understood, for the avoidance of doubt, that on the General Reserve Final Utilisation Date (if such date falls during the Amortisation Period) the Class A Notes Amortisation Amount will be equal to the Principal Amount Outstanding of the Class A Notes as of such date.

Class A Notes Interest Amount means the Interest Amount due on each Class A Note on each Payment Date.

Class A Notes Interest Rate means 0.60 per cent. per annum .

Class A Notes Subscriber means BPSA, as subscriber of the Class A Notes on the Issue Date.

Class B Noteholder means any holder of the Class B Notes from time to time.

Class B Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Target Collateral Amount on such Payment Date less the Class A Notes Amortisation Amount; (ii) the amount available after application of the Available Distribution Amounts, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class B Notes in accordance with the Priority of Payments; and (iii) the Principal Amount Outstanding of the Class B Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Priority of Payments).

Class B Notes Interest Amount means the Interest Amount due on each Class B Note on each Payment Date.

Class B Notes Interest Rate means 1.20 per cent. per annum.

Class B Notes means the Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes which will be issued by the Issuer on the Issue Date.

Class B Notes Subscriber means BPSA, as subscriber of the Class B Notes on the Issue Date.

Class, **Class of Notes** or **Class of Noteholders** will be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

Clean Up Option Date has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Clean Up Option has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Collection Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Collection Period means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), provided that the first Collection Period shall be the period comprised between the First Selection Date (excluded) and the First Determination Date (included).

Collections means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) and all recoveries (including any proceeds from the disposal of the financed Car(s) and any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies) received by the Servicer in relation to the Purchased Receivables, including, for avoidance of doubt, 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 the 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.

Consumer Credit Legislation means the Consumer Code, the provisions regarding consumer credit regulated by Articles 121 to 128 of the Italian Banking Act and all other applicable legal and implementing regulatory provisions applying to consumers.

Contracts Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 1 (*Contracts Eligibility Criteria*) of the Master Receivables Transfer Agreement.

Contractual Documents means the Auto Loan Contracts and any other related documents entered into by the Seller in connection with the Receivables.

Contractual Interest Rate means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Debtor.

Corporate Servicer means any person appointed from time to time as a corporate servicer by the Issuer pursuant to the Corporate Services Agreement.

Corporate Services Agreement means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer relating to the provision of certain corporate administration services to the Issuer.

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).

DBRS means DBRS Ratings Limited and its subsidiaries and any successor thereto.

DBRS Equivalence Chart means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**

AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

DBRS Equivalent Rating means:

(a) if a Fitch public rating, a Moody's public rating and a S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower rating available; or

(b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public

ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

provided that, if only one or none of a Fitch public rating, a Moody's public rating and a S&P public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

DBRS Minimum Rating means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating of the lower such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

Decree 239 means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

Decree 239 Withholding means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

Default Ratio means the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Defaulted Amounts, as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Defaulted Amount means the Outstanding Balance of any Purchased Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

Defaulted Receivable means a Receivable in respect of which:

(a) any amount due and payable under the relevant Auto Loan Contract has remained unpaid past its due date for 150 calendar days or more; or

(b) the Servicer, acting in accordance with the Servicing Procedures, has terminated the relevant Auto Loan Contract, written off or made provision against any definitive losses in respect of such Receivable at any time prior to the expiry of the period referred to in (a) above.

Defaulted Receivables Repurchase Price means, in relation to any Defaulted Receivables, a fair market value price (taking into account the defaulted nature of the receivables) as determined by the Servicer 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 the ratio which shall be determined on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Outstanding Balance and the aggregate Arrears Amounts of all Delinquent Receivables as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Delinquent Receivable means any Performing Receivable in respect of which an amount is overdue for strictly less than 150 calendar days.

Demonstration Car means a Peugeot or Citroën car produced at a BPF group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

Determination Date means the last day of each calendar month.

EBA means the European Banking Authority established by Regulation (EU) No. 1093/2010 of the European Parliament and of the Council, amending Decision No. 716/2009/EC and repealing Commission Decision 2009/78/EC.

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 Securitisation Regulation and named "*Guidelines on the STS criteria for non-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 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 of the United States of America which has at least the following ratings:

(a) "A (low)" by DBRS with respect to the higher of (A) a rating one notch below the critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A (low)"; and

(b) "F1" by Fitch with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

Eligible Investment means:

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

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

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

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

(iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

provided that, in all cases:

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

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

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

(d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as

applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:

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

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at 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(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at 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.

Eligible Investments Notice has the meaning given to such term in clause 10.5 (*Records of Eligible Investments by the Cash Manager and the Account Banks*) of the Cash Allocation, Management and Payment Agreement.

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.

Euribor has the meaning ascribed to such term in Condition 5.2 (*Right to Interest – Interest Rate*).

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

Excluded Collection means any amounts payable by any Debtor to the Seller (i) under any maintenance contract on behalf of the relevant maintenance services provider and/or, for the avoidance of doubt, (ii)in relation to any accessory service envisaged under the Auto Loan Contracts which is not a Financed Service.

Excluded Tax means in relation to a person, any Tax assessed on that person under the law of the jurisdiction in which it is incorporated or treated as resident for tax purposes or the office through which it performs its obligations under the relevant agreement is located, in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by it.

Expenses Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

FATCA means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Final Instalment means the last Instalment of an Auto Loan Contract that in relation to the Balloon Auto Loan Contract consists in the Balloon Instalment.

Financed Services means the services for the protection of the Car– i.e. OPTA (Anti-theft, T&F insurance, replacement of the Car) the price of which is included in the relevant Instalment.

Financial Collateral Directive means Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.

First Determination Date means 31 August 2019.

First Payment Date means the Payment Date falling on 23 September 2019.

First Purchase Date means 12 July 2019.

First Selection Date means 8 July 2019.

Fitch means Fitch Ratings Limited and their subsidiaries and any successor thereto.

Foreclosure Proceedings means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

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 Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

General Reserve Advance means the advance made under the General Reserve Subordinated Loan Agreement.

General Reserve Decrease Amount means, on any Payment Date, the positive difference (if any) between the General Reserve Required Amount, as calculated on the Calculation Date preceding the previous Payment Date and the General Reserve Required Amount, as calculated on the Calculation Date preceding such Payment Date.

General Reserve Final Utilisation Date means the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, (ii) the Payment Date on which the aggregate Outstanding Balance of all Performing Receivables is reduced to zero, (iii) the date on which, after the delivery of a Trigger Notice, all the amounts standing to the credit of the General Reserve Account have been used in accordance with the Post-Enforcement Priority of Payments, and (iv) the Legal Final Maturity Date.

General Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments, as communicated to the Calculation Agent by the Cash Manager, purchased from amounts standing to the credit of the General Reserve Account and any interest received on amounts standing to the credit of the General Reserve Account since the last Payment Date.

General Reserve Loan Facility has the meaning ascribed to such term in the General Reserve Subordinated Loan Agreement.

General Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the General Reserve Decrease Amount and (ii) the outstanding of the General Reserve Advance.

General Reserve Replenishment Amount means the amount to be transferred to the General Reserve Account, so that the amount standing to the credit of the General Reserve Account shall be equal to the General Reserve Required amount applicable on that Payment Date.

General Reserve Required Amount means:

(a) on the Issue Date, Euro 6,600,000.00;

(b) on any Calculation Date during the Revolving Period, 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(c) on any Calculation Date during the Amortisation Period and the Accelerated Amortisation Period, the lesser of:

  (i) the General Reserve Required Amount determined on the last Calculation Date of the Revolving Period; and

  (ii) the greater of (x) 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes and (y) an amount equal to Euro 500,000.00;

(d) on the General Reserve Final Utilisation Date, zero.

General Reserve Subordinated Loan Agreement means the general reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the General Reserve Subordinated Loan Provider.

General Reserve Subordinated Loan Provider means BPSA, as Seller.

Global Portfolio Limits means the global portfolio limits set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 3 (*Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

Guarantor means each person who has granted a related security or which assumed the obligations of a Debtor 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 Interest Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the amount of interest (calculated at the applicable Contractual Interest Rate) accrued and not yet due in respect of each such Receivable as of the Selection Date (included) immediately preceding such Purchase Date.

Individual Principal Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the Outstanding Balance of such Receivable as at the Selection Date (included) immediately preceding such Purchase Date.

Individual Purchase Price means the purchase price of each Purchased Receivable.

Information Date means the date falling no later than 5 (five) Business Days following each Determination Date.

Initial Receivables means the Receivables to be assigned by the Seller to the Issuer on the First Purchase Date and identified in the first Transfer Offer.

Insolvency Event means in relation to a person any of the following:

(a) *Inability to pay debts*: such person:

(i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or

(ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of article 67, paragraph 3 of the Italian Insolvency Act; or

(iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or

(b) *Insolvency proceedings*: such person:

(i) is adjudicated or found insolvent; or

(ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or

(iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (i) or (ii) above.

Insolvency Proceedings means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of- court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

Insolvent means a person which is subject to an Insolvency Event.

Instalment Due Date means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

Instalment means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be made by the Debtor on each date on which such instalment has to be paid under that Auto Loan Contract.

Insurance Company means each of the insurance companies granting an Insurance Policy.

Insurance Policy means any insurance policy entered into by the Debtor in relation to a Purchased Receivable and/or an Auto Loan Contract.

Intercreditor Agreement means the intercreditor agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the other parties to the Transaction Documents.

Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

Interest Component Purchase Price means, in respect of the Initial Receivables, the sum of the Individual Interest Component Purchase Price of each Initial Receivable and in respect of the Additional Receivables, the sum of the Individual Interest Component Purchase Price of each Additional Receivable.

Interest Determination Date has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Interest Period has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*), it being understood that the first Interest Period shall commence on the Issue Date (included) and shall end on the Payment Date falling in September 2019 (excluded).

Interest Rate has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

Investor Report means the report required to be prepared and delivered by the Calculation Agent on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement in the form set out in Schedule 2 (*Form of Investor Report*) of the Cash Allocation, Management and Payment Agreement.

Issue Date means 18 July 2019.

Issuer Accounts means the accounts opened in the name of the Issuer in the context of the Securitisation.

Issuer means Auto ABS Italian Balloon 2019-1 S.r.l., a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Via V. Betteloni, 2, 20131 Milan, Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Milano – Monza Brianza - Lodi with Tax and VAT registration number 10763500963, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under No. 35598.2.

Issuer Indemnified Amounts has the meaning ascribed to such term in clause 9.1 (*Issuer Indemnity*) of the Subscription Agreement.

Issuer Indemnified Party has the meaning ascribed to such term in clause 9.1 (*Issuer Indemnity*) of the Subscription Agreement.

Issuer Secured Creditors means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Banks, the Corporate Servicer, the Subordinated Loan Providers, the Back-up Servicer Facilitator, the Arranger and the Notes Subscriber.

Issuer Security means the Security Interests created or purported to be created under the Spanish Pledge Agreement and any additional Spanish pledge agreement entered into in accordance with the Intercreditor Agreement in favour of the Representative of the Noteholders for the benefit of the Issuer Secured Creditors.

Issuer Tax Event has the meaning ascribed to such term in Condition 6.3 *(Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*).

Italian Account Bank means the entity appointed from time to time as Italian account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, The Bank of New York Mellon SA/NV, Milan Branch.

Italian Banking Act means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

Italian Civil Code means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

Italian Data Protection Authority means the *Garante per la protezione dei dati personali*.

Italian Factoring Law means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

Italian Financial Act means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

Italian Insolvency Act means Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

Italian Privacy Law means the Legislative Decree no. 196 of 30 June 2003 as amended and supplemented from time to time.

Legal Final Maturity Date means the legal final maturity date of the Notes, being the Payment Date falling in September 2034.

Master Receivables Transfer Agreement means the master receivables transfer agreement entered into on or prior to the Issue Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent.

Material Adverse Change has the meaning ascribed to such term in clause 10.1 (*Notes Subscriber's ability to terminate*) of the Subscription Agreement.

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.

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

Monte Titoli means Monte Titoli S.p.A..

Monthly 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 each Information Date in the form set out in Schedule 3 (*Form of Monthly Servicing Report*) of the Servicing Agreement.

Moody's means Moody's Investors Service, Inc..

Most Senior Class of Notes means:

(a) if any Class A Notes are outstanding, the Class A Notes;

(b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes.

New Car means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

Non-Conformity Notice means the notice by which it is communicated that a Receivable is an Affected Receivable.

Non-Conformity Repurchase Date has the meaning ascribed to such term in clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Conformity Rescission Amount means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Permitted Renegotiation means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is not a Permitted Renegotiation.

Non-Permitted Renegotiation Repurchase Date means the date as specified in clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement.

Noteholder means, at any time, the holder of any Note.

Notes means the Class A Notes and the Class B Notes.

Notes Subscriber means the subscriber of the Notes on the Issue Date.

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 clause 4.2 (*Offer of Receivables*) of the Master Receivables Transfer Agreement.

Official Gazette Notice of Assignment has the meaning ascribed to such term in clause 6.2 (*Transfer Formalities*) of the Master Receivables Transfer Agreement.

Other Issuer Secured Creditors means the Issuer Secured Creditors other than the Noteholders.

Other Rights has the meaning ascribed to such term in clause 6.3 (*Assignment of the Other Rights and related undertakings by the Seller*) of the Master Receivables Transfer Agreement.

Outstanding Balance means, in respect of a Purchased Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable amortisation schedule of such Purchased Receivable on such date.

Paying Agent means any entity appointed as such from time to time as paying agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement.

Payment Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Payment Business Day means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Milan (Italy), in London (United Kingdom), in Luxembourg or in Paris (France).

Payment Date means, in respect of any principal and/or interest payment in respect of the Notes, the 22nd day of each month or the following Payment Business Day if that day is not a Payment Business Day, except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Payment Business Day. The first Payment Date will fall in September 2019.

Performing Receivable means any Purchased Receivable which is not a Defaulted Receivable.

Period of Effectiveness means, when utilised under the Servicing Agreement, the period starting on the date of execution of the Servicing Agreement and ending on the Servicer Termination Date.

Permitted Renegotiation means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, provided that the same are made in accordance with and subject to the Servicing Agreement:

(a) 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 authority;

(e) any refinancing of the 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 84 (eighty four) 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 1.5%.

Portfolio means the Purchased Receivables and all other assets and rights related to such Purchased Receivables purported to be transferred, assigned or granted (including for that avoidance of doubt) the Ancillary Rights) to the Issuer pursuant to the Master Receivables Transfer Agreement and any Transfer Agreement.

Portfolio Performance Trigger means any of the following events:

(a) the Average Delinquency Ratio above 5.5%;

(b) the 3m Default Ratio is above 0.35%; and

(c) the occurrence of a Principal Deficiency Shortfall.

Post-Enforcement Period means the period from and including the first Payment Date falling on or after the date on which a Trigger Event Notice has been served and ending on the earlier of:

(a) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(b) the Legal Final Maturity Date.

Post-Enforcement Priority of Payments has the meaning ascribed to such term in Condition 4.3 (*Post-Enforcement 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.

Privacy Authority means the Italian data protection authority (*Autorità Garante della Privacy*).

Principal Amount Outstanding means, in respect of a Note on any date, the principal amount of such Note upon issue, *minus* the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

Principal Component Purchase Price means, in respect of any Receivables, the sum of the Individual Principal Component Purchase Price of each Receivable comprised in such Receivables.

Principal Deficiency Shortfall means the event which occurs when, on a Payment Date during the Revolving Period or the Amortisation Period, the amount paid respectively under item *seventh* or *eighth* of the Priority of Payments during the Revolving Period and the Amortisation Period is lower than the relevant Target Collateral Amount (it being understood that a Principal Deficiency Shortfall is not meant to have occurred on the Payment Date during the Amortisation Period on which the funds available to the Issuer are sufficient to redeem the Class A Notes in full).

Principal Payment has the meaning ascribed to such term in Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory pro rata redemption in whole or in part*).

Priority of Payments has the meaning ascribed to such term in Condition 4.1 *(Priority of Payments during the Revolving Period and the Amortisation Period*).

Private Debtor means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*).

Prospectus means the prospectus which will be issued by the Issuer in the context of the issue of the Notes.

Province means the Italian province where the Debtor is resident or, in the case of a company, has its registered office.

Purchase Date means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

Purchase Price means on any Purchase Date and in respect of each Purchased Receivable, the sum of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price.

Purchased Receivable means a Receivable which has been purchased by the Issuer pursuant to the Master Receivables Transfer Agreement and (a) which remains outstanding and (b) which has not been repurchased by the Seller in accordance with the provisions of the Master Receivables Transfer Agreement and/or the Servicing Agreement.

Quota means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

Quotaholder means the holder of the Quota, being, as at the Issue Date, Special Purpose Entity Management S.r.l.

Quotaholder's Agreement means the quotaholder's agreement entered into on or about the date hereof between the Issuer, the Quotaholder and the Representative of the Noteholders.

Rating Agencies means Fitch and DBRS.

Receivable means all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with an Auto Loan Contract, including, without limitation:

(a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan

Contract (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);

(c) all the relevant Ancillary Rights; and

(d) for the avoidance of doubt, all rights and claims towards the relevant Car Dealer and Car Manufacturer for the payment of the Balloon Instalments upon exercise of the relevant contractual option by the Debtor pursuant to the relevant Auto Loan Contract.

Receivables Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 2 (*Receivables Eligibility Criteria*) of the Master Receivables Transfer Agreement.

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 Technical Standards means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to under paragraph (i) above.

Relevant Minimum Rating means at least two of the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB- by S&P, BB by Fitch and Ba2 by Moody's.

Reporting Entity means the Seller appointed as such under the Intercreditor Agreement pursuant to the Securitisation Regulation.

Representative of the Noteholders means the entity appointed from time to time as representative of the noteholders in the context of the Securitisation.

Repurchase Amount means, in relation to Purchased Receivables to be retransferred by the Issuer to the Seller in the circumstances provided for under clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Purchased Receivables.

Repurchase Determination Date means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement).

Repurchase Price Interest Component means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

Repurchase Price means, in relation to any Purchased Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

(a) for a Performing Receivable, the sum of:

(i) its Outstanding Balance, as of the relevant Repurchase Determination Date,

(ii) any interest accrued but unpaid as of such Repurchase Determination Date; and

(iii) any due but unpaid balance and other ancillary amounts in respect of such Purchased Receivable as of such Repurchase Determination Date; and

(b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

Repurchase Price Principal Component means, in relation to any Purchased Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

(a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and

(b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and

(c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

Retail Customer means any private customers, all small or medium except:

(a) any car dealers;

(b) any governments, related public entities or local authorities;

(c) banks or investment firms.

Retention Amount means (a) with reference to the Issue Date, an amount equal to Euro 50,000.00 and (b) with reference to each Payment Date, an amount equal to Euro 20,000.00.

Revolving Period means the period from the Issue Date to (but excluding) the earlier of:

(a) the Scheduled Revolving Period End Date;

(b) the date on which an Amortisation Event occurs;

(c) the date on which an Accelerated Amortisation Event occurs; and

(d) the date on which a Trigger Event occurs.

Rules means the rules of the organisation of Noteholders set out in Schedule 1 of the Conditions.

S&P means Standard and Poor's Rating Services, a division of the McGraw Hill Companies.

Sanctioned Person means any person who is a designated target of Sanctions or is otherwise a subject of Sanctions (including without limitation as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organised under the laws of, or a citizen or resident of, any country that is subject to general or country-wide Sanctions).

Sanctions means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following):

(a) the United Nations;

(b) the United States of America; or

(c) the European Union or any present or future member state thereof.

SCF means Santander Consumer Finance S.A., a company incorporated under the laws of Spain as a *sociedad anónima* whose registered office is at Madrid, Avda. de Cantanbría, s/n, Edificio 4 Pinar, 28660 Boadilla del Monte, Madrid y CIF:A-28122570, Spain, quota capital of euro 5.338.638.516, registered at the Central Bank of Spain under number 8.236.

Scheduled Principal Payment means, in relation to each Determination Date and each Collection Period ending on such Determination Date, the scheduled principal payment as of the Instalment Due Date falling during such Collection Period, in accordance with the Amortisation Schedule.

Scheduled Revolving Period End Date means the Business Day immediately following the Payment Date falling in August 2021.

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 website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu), to the Issuer, the Representative of the Noteholders, the Calculation Agent, perspective noteholders, the competent authorities under the Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Banks and the Paying Agent in the form set out out in Schedule 7 (Sec Reg Asset Level Report) of 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 quarterly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu) in the form set out in Schedule 5 (Sec Reg Investor Report) of the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simulateously with the Sec Reg Asset Level Report.

Sec Reg Report Date means the date falling within one month following the Payment Dates falling on March, June, September and December of each year, provided that the first Sec Reg Reporting Date will fall in October 2019.

Securities Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Securitisation Assets has the meaning ascribed to such term in Condition 2 (*Status, segregation and ranking*).

Securitisation Law means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

Securitisation 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.

Securitisation means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

Security Interest means any mortgage, charge, pledge, lien, encumbrance, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Selection Date means the First Selection Date or any Subsequent Selection Date, as applicable.

Seller means BPSA.

Seller 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 Event of Default means any of the following events:

(a) the Seller fails to make any payment, transfer or deposit when due as provided under the Transaction Documents and such failure remains unremedied for three Business Days;

(b) the Seller fails to perform or observe any term, covenant or agreement contained in the Transaction Documents and such failure, if capable of remedy, is not remedied within five Business Days after receipt by the Seller of a notice by the Issuer or the Representative of the Noteholders specifying such failure;

(c) any of the representations and warranties, certification or statement made by the Seller in any Transaction Document (other than in respect of the compliance of any Purchased Receivables with any Eligibility Criteria, in respect of which clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement shall apply) proves to be materially (other than to the extent that any representation warranty, certification or statement made by the Seller already contains any materiality qualifier) incorrect when made or deemed to be made and such breach, if capable of remedy, remains unremedied for ten Business Days after the earlier of the Seller (i) having become aware of such breach or (ii) having received notice from any Transaction Party specifying such failure;

(d) any financial indebtedness of BPSA (i) is not paid when due or within any applicable grace period in any agreement, document or instrument relating to that financial indebtedness or (ii) becomes due and payable, as a result of an event of default (howsoever described) which has not been remedied, and the aggregate of all such financial indebtedness in paragraphs (i) and (ii) above exceeds €30,000,000 (or its equivalent from time to time in other currencies);

(e) a Material Adverse Effect in relation to the Seller has occurred and is continuing; and

(f) an Insolvency Event occurs in relation to the Seller.

Seller Indemnified Amounts has the meaning ascribed to such term in clause 9.2 (*Seller Indemnity*) of the Subscription Agreement.

Seller Indemnified Party has the meaning ascribed to such term in clause 9.2 (*Seller Indemnity*) of the Subscription Agreement.

Servicer Collection Account Bank means Intesa Sanpaolo S.p.A..

Servicer Collection Account means the new bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of

article 3, paragraph 2-*ter* of the Securitisation Law.

Servicer means the entity appointed from time to time as servicer by the Issuer under the terms of the Servicing Agreement being, as at the Issue Date, BPSA.

Servicer Postal Account has the meaning ascribed to such term in clause 5.2 (*Payment through postal bulletins (bollettini postali)*) of the Servicing Agreement.

Servicer Termination Date means the earlier of (i) the date on which the Notes have been repaid or cancelled in full and (ii) the date on which the cessation of the appointment of the Servicer has become effective in accordance with clause 13 (*Termination of Appointment and Substitution of the Servicer*) of the Servicing Agreement.

Servicer Termination Event means each of the events set out under Schedule 5 (*Servicer Termination Events*) of the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment.

Servicing Agreement means the servicing agreement entered into on the date hereof between the Issuer and the Servicer.

Servicing Fees means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement..

Servicing Procedures means the servicing procedures set out in the Servicing Agreement.

Settlement Date means the date which is one Business Day before a Payment Date.

Significant Event Report means the report required to be delivered pursuant to article 7(1)(f) and 7(1)(g) of the Securitisation Regulation by the Seller pursuant to the Intercreditor Agreement and substantially in the form set out in Schedule 8 (*Significant Event Report*) of the Intercreditor Agreement.

Sole Director has the meaning ascribed to such term in the Corporate Services Agreement.

Solvency II Regulation means Regulation (EU) no. 35/2015 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (as amended, supplemented and/or replaced from time to time).

Spanish Account Bank means the entity appointed from time to time as Spanish account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, Banco Santander, S.A..

Spanish Pledge Agreement means the Spanish pledge agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties.

Specified Event means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall

have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

Statutory Auditor has the meaning ascribed to such term in the Corporate Services Agreement.

Stock Exchange means the Luxembourg Stock Exchange.

STS notification means the notification made by the Seller to ESMA in accordance with Article 27 of the Securitisation Regulation

STS-securitisation means a securitisation meeting the requirements under Articles 19 to 22 of the Securitisation Regulation.

STS verification means the assessment by PCS of the compliance of the Securitisation with the requirements set forth under articles 19 to 22 of the Securitisation Regulation.

Subscription Agreement means the subscription agreement relating to the Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Notes Subscriber.

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 4 (four) Business Days after the Information Date.

Successor Servicer has the meaning ascribed to such term in clause 13.4 (*Successor Servicer*) of the Servicing Agreement.

Target2 Business Day means a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.

Target Collateral Amount means on any Payment Date during the Revolving Period and the Amortisation Period the difference between (i) the Principal Amount Outstanding of the Notes as at the immediately preceding Calculation Date, less (ii) the Outstanding Balance of the Performing Receivables as at the immediately preceding Determination Date.

Tax includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

Traceability Law has the meaning ascribed to such term in clause 3.1 (*Appointment and duties of the Servicer*) of the Servicing Agreement.

Transaction Documents means the agreements entered into or which will be entered into in the context of the Securitisation.

Transaction Party means any party to the Transaction Documents.

Transfer Acceptance means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of Transfer Acceptance*) of the Master Receivables Transfer Agreement.

Transfer Agreement means each transfer agreement entered into between the Seller and the Issuer in connection with the sale of Receivables, comprising the relevant Transfer Offer and the relevant Transfer Acceptance.

Transfer Offer means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 1 (*Form of Transfer Offer*) of the Master Receivables Transfer Agreement.

Trigger Event means any of the events set out under Condition 10 (*Trigger Events*).

Trigger Event Notice means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

Used Car means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.

Variable Return means, in respect of the Class B Notes on any Payment Date:

(a) in case of application of the Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Priority of Payments except item (q) (*seventeenth*); or

(b) in case of application of the Accelerated Amortisation Period Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Accelerated Amortisation Period Priority of Payments except item (o) (*fifteenth*); or

(c) in case of application of the Post-Enforcement Priority of Payments, the amounts available to the Issuer in accordance with Condition 4.3 (*Order of Priority – Post-Enforcement Priority of Payments*) after payment or provision for all items of the Post-Enforcement Priority of Payments except item (n) (*fourteenth*).

VFG Balloon Auto Loan Contract means a Balloon Auto Loan Contract in respect of which the Debtor to whom the Seller has advanced the relevant auto loan has been granted with the option to perform her/his obligation to pay the Balloon Instalment by returning the relevant vehicle in accordance with the relevant provisions of such contract, namely "*Style Drive*", "*i-Move*" and "*Simply Drive*".

Winding-Up means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

Finally, for the purposes of compliance with article 21(10) of the Securitisation Regulation, the Conditions (including the Rules) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders, as better detailed below.

1. FORM, DENOMINATION, TITLE

1.1 The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act.

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

1.3 Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Notes.

1.4 Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent shall (to the fullest extent permitted by applicable laws) be entitled to treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for all purposes (whether or not such Note shall be overdue and notwithstanding any notice to the contrary, any notice of ownership or writing thereon or notice of any previous loss or theft thereof or any interest therein) and shall not be liable for doing so.

1.5 The rights arising from the Spanish Pledge Agreement in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

1.6 Ownership of the Notes by a United States person may be subject to United States tax law restrictions. Any United States person who holds this obligation will be subject to limitations under United States income tax laws.

2. STATUS, SEGREGATION AND RANKING

2.1 The Notes constitute direct and limited recourse obligations of the Issuer. Payments of interest, principal and any other amounts under the Notes will be funded solely from the collections, recoveries and other proceeds under or in respect of the Portfolio, together with such other amounts as the Issuer may derive from and in accordance with the Transaction Documents (together, the **Securitisation Assets**).

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

2.3 The Notes of each Class will at all times rank *pari passu* without preference or priority amongst themselves. The rights of the Noteholders in respect of the priority of payment of interest and principal and their ranking during the Revolving Period, the Amortisation Period, the Accelerated Amortisation Period and the Post-Enforcement Period are set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement. Payments in respect of the Notes are in any event subordinated to certain prior ranking amounts due from the Issuer as set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement.

2.4 The rights, claims and remedies of the Noteholders of each Class and of each Other Issuer Secured Creditor in respect of the obligations owed by the Issuer to the Noteholders of such Class and each such Other Issuer Secured Creditor, as the case may be, in respect of the Issuer Security and the Portfolio and other Securitisation Assets shall at all times (whether before or after the service of a Trigger Event Notice) be subordinated to the rights, claims and remedies of all the Noteholders, all Other Issuer Secured Creditors and all Connected Third Party Creditors whose rights, claims and remedies in respect of (i) the obligations owed by the Issuer to such creditor(s) and/or (ii) the Issuer

Security and/or (iii) the Portfolio and/or (iv) the other Securitisation Assets rank by operation of law or are expressed pursuant to these Conditions or the Intercreditor Agreement to rank in priority to the rights, claims and remedies of the Noteholders of such Class and/or of such Other Issuer Secured Creditor, as the case may be. Furthermore, each Noteholder and each Other Issuer Secured Creditor agrees and acknowledges that until all sums required by these Conditions and the terms of the Intercreditor Agreement to be paid in priority thereto have been paid or discharged in full (and then if and only to the extent that the Issuer shall have funds available to pay such amounts and shall be permitted to pay such amounts in accordance with these Conditions and the terms of the Intercreditor Agreement together with all other amounts payable *pari passu* therewith), no amount payable by the Issuer to any Noteholder or any Other Issuer Secured Creditor under these Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it.

2.5 The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other parties to the Transaction Documents.

3. COVENANTS

Subject to the 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 Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholder's meetings to be convened in order to:

(a) *Negative pledge and non-disposal*

create or permit to subsist any Security Interest of any kind (other than the Issuer Security or unless arising by operation of law) over any of its property, assets or undertakings, present or future, the Portfolio, or the other Securitisation Assets or sell, lend, or otherwise dispose of all or any part of its property, assets or undertakings, present or future, the Issuer Security, the Portfolio, or the other Securitisation Assets;

(b) *Use of property*

use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property, assets or undertakings, present or future, the Issuer Security, the Portfolio, or the other Securitisation Assets or any interest, right or benefit in respect of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;

(c) *Restrictions on activities*

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto, or enter into any agreement or document, including any derivative contracts;

(ii) have any subsidiary or affiliate (*società controllata* or *società collegata* within the meaning of Article 2359 of the Italian Civil Code), participations in other companies or subsidiary undertakings of any other nature or have any employees or premises; or

(iii) at any time approve or agree or consent to any act or thing whatsoever which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Notes or the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Transaction Documents;

(d) *Dividends and distributions*

pay any dividend or make any other distribution or repayment to its quotaholders, issue any further shares or otherwise increase its share capital other than when so required by applicable law;

(e) *Borrowings*

create, incur or permit to subsist any indebtedness whatsoever in respect of borrowed money whatsoever or give any guarantee or indemnity or become obliged in respect of indebtedness or of any obligation of any person;

(f) *Merger*

amalgamate, consolidate or merge with any other person or convey or transfer its properties or assets substantially or in their entirety to any other person;

(g) *No variation or waiver*

permit (i) any of the Transaction Documents to which it is a party to become invalid or ineffective; (ii) the priority of the Issuer Security to be amended, released, postponed or discharged or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of, any such Transaction Documents; or (iii) permit any party to any of such Transaction Documents or any other person whose obligations form part of the Issuer Security to be released from its obligations;

(h) *Bank accounts*

with the exception of the account where the quota capital of the Issuer has been deposited, have an interest in any bank account other than the Issuer Accounts, unless that account or interest is charged by way of security on terms acceptable to the Representative of the Noteholders (or the Representative of the Noteholders has waived such requirement);

(i) *Statutory documents*

amend, supplement or otherwise modify its deed of incorporation (*atto costitutivo*) and/or by-laws (*statuto*) other than when so required by applicable law or by any regulatory authority having jurisdiction over it;

(j) *Separateness*

permit or consent to any of the following occurring:

(i) its books and records relating to the Securitisation being maintained with or co-mingled with those of any other person or entity;

(ii) its bank accounts relating to the Securitisation and the debts represented thereby being co-mingled with those of any other person or entity;

(iii) its assets or revenues relating to the Securitisation being co-mingled with those of any other person or entity; or

(iv) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(A) separate financial statements in relation to its financial affairs and the Securitisation are maintained;

(B) all corporate formalities with respect to its affairs are observed in compliance with the Securitisation Law;

(C) separate stationery, invoices and cheques are used in respect of the Securitisation;

(D) it always holds itself out as a separate entity and constantly ensure distinction and separateness between the Securitisation and its other financial affairs; and

(E) any known misunderstandings regarding its separate identity and the distinction between the Securitisation and its other financial affairs are corrected as soon as possible;

(k) *Compliance with applicable law*

cease to comply with any applicable law or any necessary corporate formality;

(l) *Residency and centre of main interests*

become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interests in Italy;

(m) *Further securitisations*

enter into further securitisations in addition to the Securitisation,

provided that nothing in this Condition 3 shall prevent or restrict the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it or order of any competent authority.

4. ORDER OF PRIORITY

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

On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Distribution Amounts in the following order of priority (the **Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full:

(a) *first*, *pari passu* and *pro rata*, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it

in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor to the extent that such costs, taxes and expenses are not met by utilising the amounts standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the rating of the Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of payment of the fees, expenses and all other amounts due to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Back-Up Servicer Facilitator, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards transfer into the Expenses Account of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account is equal to the Retention Amount;

(e) *fifth*, *pari passu* and *pro rata* in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;

(f) *sixth*, in or towards satisfaction of the transfer to the General Reserve Account of the General Reserve Replenishment Amount;

(g) *seventh*, during the Revolving Period, in or towards (a) satisfaction of the payment to the Seller of the Principal Component Purchase Price of each Additional Receivable purchased on the Subsequent Purchase Date preceding such Payment Date, up to the Target Collateral Amount; then (b) credit to the Payment Account any difference between the Target Collateral Amount and the amounts paid under letter (a) above;

(h) *eighth*, during the Amortisation Period, *pari passu* and *pro rata*, in or towards satisfaction of the Class A Notes Amortisation Amount due to the Class A Noteholders;

(i) *ninth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Subscription Agreement;

(j) *tenth*, in or towards satisfaction of the payment of the Interest Component Purchase Price of the Purchased Receivables due and payable on such Payment Date or of any portion of Interest Component Purchase Price of the Purchased Receivables remaining unpaid on such Payment Date;

(k) *eleventh*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(l) *twelfth*, in or towards repayment to the General Reserve Subordinated Loan Provider of any General Reserve Repayment Amount under the General Reserve Subordinated Loan Agreement;

(m) *thirteenth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and the Other Issuer

Secured Creditors pursuant to the Transaction Documents to which they are, respectively, a party, to the extent not already paid under this Priority of Payments;

(n) *fourteenth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(o) *fiftheenth*, after redemption in full of the Class A Notes, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Amortisation Amount due to the Class B Noteholders until the aggregate Principal Amount Outstanding on the Class B Notes is equal to Euro 10,000;

(p) *sixteenth*, up to, but excluding, the Legal Final Maturity Date, pari *passu* and *pro rata*, in or towards satisfaction of the payment of the Variable Return on the Class B Notes;

(q) *seventeenth*, on the Legal Final Maturity Date, to repay the principal on the Class B Notes and to pay the Variable Return (if any) to the same.

4.2 Priority of Payments during the Accelerated Amortisation Period

During the Accelerated Amortisation Period and in case of early redemption in the circumstances provided for under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Available Distribution Amounts shall be applied by or on behalf of the Issuer in the following order of priority (the **Accelerated Amortisation Period Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full:

(a) *first*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, (ii) all costs and taxes required to be paid to maintain the listing and rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of the fees, expenses and all other amounts due and payable to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Back-Up Servicer Facilitator, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards transfer into the Expenses Account of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account is equal to the Retention Amount;

(e) *fifth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;

(f) *sixth*, in or towards satisfaction of the transfer to the General Reserve Account of the General Reserve Replenishment Amount;

(g) *seventh*, *pari passu* and *pro rata*, in or towards redemption in full of the Class A Notes;

(h) *eighth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Subscription Agreement;

(i) *ninth*, in or towards payment to the Seller of any amount of Purchase Price under the Purchased Receivables remaining unpaid;

(j) *tenth*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(k) *eleventh*, in or towards repayment to the General Reserve Subordinated Loan Provider of any General Reserve Repayment Amount under the General Reserve Subordinated Loan Agreement;

(l) *twelfth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and any other Transaction Party pursuant to the Transaction Documents to which it is a party, to the extent not already paid under this Priority of Payments; and

(m) *thirteenth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(n) *fourteenth*, after redemption in full of the Class A Notes, *pari passu* and *pro rata*, in or towards redemption in full of the Class B Notes;

(o) *fifteenth*, *pari passu* and *pro rata*, to the payment of the Variable Return to the Class B Noteholder.

4.3 Post-Enforcement Priority of Payments

Following service of a Trigger Event Notice, all amounts received or recovered by the Issuer and/or the Representative of the Noteholders in respect of the Purchased Receivables and the proceeds of enforcement of the Issuer Security (after the transfer to the Payment Account of all amounts standing to the credit of the General Reserve Account and the Collection Account (if any)) shall be applied by or on behalf of the Issuer or the Representative of the Noteholders (as the case may be), as follows (the **Post-Enforcement Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full:

(a) *first*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, (ii) all costs and taxes required to be paid to maintain the listing and rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of the fees, expenses and all other amounts due to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash

Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Back-Up Servicer Facilitator, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards transfer into the Expenses Account of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account is equal to the Retention Amount;

(e) *fifth*, *pari passu* and *pro rata*, in or towards satisfaction of all Class A Notes Interest Amounts due and payable on such Payment Date;

(f) *sixth*, *pari passu* and *pro rata*, in or towards redemption in full of the Class A Notes;

(g) *seventh*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Subscription Agreement;

(h) *eighth*, in or towards payment to the Seller of any amount of Purchase Price under the Purchased Receivables remaining unpaid;

(i) *ninth*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(j) *tenth*, in or towards repayment to the General Reserve Subordinated Loan Provider of any General Reserve Repayment Amount under the General Reserve Subordinated Loan Agreement;

(k) *eleventh*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(l) *twelfth*, pari *passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and any other Transaction Party pursuant to the Transaction Documents to which it is a party, to the extent not already paid under this Priority of Payments; and

(m) *thirteenth*, *pari passu* and *pro rata*, in or towards redemption in full of the Class B Notes;

(n) *fourteenth*, *pari passu* and *pro rata*, to the payment of the Variable Return to the Class B Noteholder.

As such, for the purposes of compliance with the requirements set forth under the Securitisation Regulation for STS-Securitisations, and in particular for the purpose of compliance with article 21(4) of the Securitisation Regulation, following the service of a Trigger Event Notice, (i) no amount of cash shall be trapped in the Issuer Accounts 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 applicable Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, (ii) the Class A Notes will continue to rank, as to repayment of principal, in priority to the Class B Notes as before the delivery of a Trigger Event Notice and (iii) no provisions of the Transaction Documents require the automatic liquidation of the Portfolio at a market value.

Moreover, both prior and following the service of a Trigger Event Notice, the Class A Notes will rank in priority to the Class B Notes. Therefore, the requirements of article 21(5) of the Securitisation Regulation are not applicable.

4.4 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 (a) (*first*) (i) of the Priority of Payments or item (a) (*first*) (i) of the Accelerated Amortisation Period Priority of Payments (as the case may be), provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any such known expenses not yet paid and any expenses falling due after such Payment Date.

4.5 Deferral under the applicable Priority of Payments

Without prejudice to the provisions contained in these Conditions relating to payments in respect of the Notes (including Condition 5.7 (*Interest Deferral*) and Condition 10 (*Trigger Events*)), in the event and to the extent that the aggregate funds available to the Issuer in accordance with the provisions of the applicable Priority of Payments are insufficient to pay any amount due and payable on any Payment Date in accordance with such Priority of Payments, such shortfall will not be payable on that Payment Date but will be deferred and become payable on the succeeding Payment Dates if and to the extent that the aggregate funds then available to the Issuer in accordance with the applicable Priority of Payments are sufficient to pay such amount. No interest will be payable on any amount so deferred.

5. RIGHT TO INTEREST

5.1 Right to interest, Payment Dates and Interest Periods

(a) Each Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Class A Notes Interest Rate in respect of the Class A Notes and the Class B Notes Interest Rate in respect of the Class B Notes (the **Interest Rate**). Subject as provided in Condition 5.7 (*Right to Interest – Interest Deferral*), interest in respect of each Note shall fall due and be payable in Euro in arrears on each Payment Date in an amount equal to the Interest Amount (as defined in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*)), subject to the applicable Priority of Payments.

(b) In these Conditions, **Interest Period** shall mean the period from (and including) the Issue Date to (but excluding) the first Payment Date and each successive period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date. The first Payment Date shall be the Payment Date falling in September 2019 in respect of the first Interest Period.

(c) Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360-day year.

(d) Interest shall only cease to accrue on any part of the Principal Amount Outstanding of any of the Notes of each Class from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon, subject only to Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*, interest shall continue to accrue on such principal (after as well as before judgment) at the rate from time to time applicable to the Note of the relevant Class until whichever is the earlier of (i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and (ii) the Cancellation Date.

5.2 Interest Rate

(a) The interest rate applicable to the Notes shall be determined by the Calculation Agent on the 2nd (second) Business Day immediately preceding the beginning of the relevant Interest Period (the **Interest Determination Date**).

(b) The Class A Notes Interest Rate for each Interest Period will be equal to 0.60 per cent. per annum..

(c) The Class B Notes Interest Rate for each Interest Period will be equal to 1.20 per cent. per annum.

5.3 Calculation of Interest Amount, Aggregate Interest Amount and Variable Return

(a) On each Calculation Date, the Calculation Agent shall calculate the amount of interest in Euro payable on each Note of each Class (the **Interest Amount**) and on the aggregate number of Notes of each Class (the **Aggregate Interest Amount**) in respect of each relevant Interest Period.

(b) The Interest Amount payable on each such Note in respect of any Interest Period shall be calculated by (A) applying the applicable Interest Rate to the Principal Amount Outstanding of that Note on the relevant Payment Date (or, in the case of the first Interest Period, the Issue Date) at the commencement of such Interest Period (after deducting therefrom the payments which have been made on that Payment Date); (B) multiplying the product of such calculation by the actual number of days in the relevant Interest Period; (C) dividing that amount by 360; and (D) rounding the resulting amount downward to the nearest cent. The Aggregate Interest Amount shall be calculated by multiplying the Interest Amount of each Note of each such Class by the actual number of Notes of that Class.

(c) The Calculation Agent will calculate, on any Calculation Date, the Variable Return that may be payable in respect of the Class B Notes (and on each Class B Note) on the immediately following Payment Date.

(d) The calculation of Interest Amount, Aggregate Interest Amount and Variable Return made by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

5.4 Notification of Interest Amount, Variable Return and Payment Date

(a) The Calculation Agent will cause (A) the Interest Amount, (B) the Aggregate Interest Amount, (C) the relevant Payment Date and (D) the amount of Variable Return to be notified, on each Calculation Date, to the Issuer, the Representative of the Noteholders, the Paying Agent and the Cash Manager , and, for so long as the Class A Notes are held through Monte Titoli and 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*) as soon as possible after notification to the Paying Agent thereof.

(b) The Interest Amount and the Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or in the event of manifest error.

(c) If the Notes become due and payable under Condition 10 (*Trigger Events*), the Interest Amount and the Aggregate Interest Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 5, but no notification of the Interest Amount and the Aggregate Interest Amount so calculated need be made to Monte Titoli, unless the Representative of the Noteholders otherwise require.

5.5 Determination or calculation by Representative of the Noteholders

(a) If the Calculation Agent does not at any time for any reason determine the Interest Amount for one or more Classes of Notes in accordance with the foregoing provisions of this Condition 5, the Representative of the Noteholders shall determine the Interest Amount for the relevant Class of Notes in the manner specified in Condition 5.3 (*Right to Interest – Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*) and notify, as required, the amounts specified in accordance with Condition 5.4 (*Right to Interest – Notification of Interest Amount, Variable Return and Payment Date*).

(b) Any such determination and/or calculation and/or notification shall be deemed to have been made by the Calculation Agent.

5.6 Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may resign in accordance with the provisions of the Cash Allocation, Management and Payment Agreement. The Issuer shall be obliged to appoint a relevant replacement prior to such resignation becoming effective. The appointment of any replacement shall be subject to the prior approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents). The Issuer shall procure that any change in the identity of the Paying Agent will be published as soon as reasonably practicable in accordance with Condition 14 (*Notices*).

5.7 Interest Deferral

(a) Payments of interest on the Notes (other than the Most Senior Class of Notes) then outstanding will be subject to deferral to the extent that there are insufficient funds available to the Issuer for those purposes on any Payment Date in accordance with the applicable Priority of Payments to pay in full the amount of interest which would otherwise be payable on the Notes (other than the Most Senior Class of Notes) then outstanding. The amount by which the aggregate amount of interest paid on each Class of Notes on any Payment Date in accordance with this Condition 5 falls short of the aggregate amount of interest which otherwise would be payable on the relevant Notes on that date shall be aggregated with the amount of, and treated for the purposes of, this Condition 5, as if it were interest due on each such Class of Notes and, subject as provided below, payable on the next succeeding Payment Date. No interest will be payable on any amount so deferred.

(b) If, on the Legal Final Maturity Date, or any other later date until the Cancellation Date (or on any earlier date of redemption of the relevant Class of Notes in full), there remains any such shortfall, the amount of such shortfall will become due and payable on the Legal Final Maturity Date or any other later date until the Cancellation Date (or, in the case of any earlier redemption of the relevant Class of Notes in full, on the date of such earlier redemption).

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

(a) Unless previously redeemed in full as provided in this Condition 6, the Issuer shall (subject to and in accordance with the relevant Priority of Payments) redeem the Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest) on the Legal Final Maturity Date. If the Notes cannot be redeemed in full on the Legal Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with these Conditions for application in or towards such redemption (including the proceeds of any sale of the Portfolio or any enforcement of the Issuer Security), any unpaid amount, whether in respect of interest, principal or other amounts in relation to the Notes, shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the

Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

(b) The Issuer may not redeem the Notes of any Class in whole or in part prior to the Legal Final Maturity Date except as provided below in Condition 6.2 (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), but this shall be without prejudice to Condition 11 (*Enforcement*).

6.2 Mandatory pro rata redemption in whole or in part

(a) If, on any Payment Date, the Available Distribution Amounts can be applied for such purpose in accordance with the applicable Priority of Payments, then the Issuer shall apply the relevant Available Distribution Amounts in redeeming the Notes in whole or in part on such Payment Date during the Amortisation Period or the Accelerated 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 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*) above and the *pro rata* amount thereof to the Representative of the Noteholders and the Noteholders in accordance with Condition 14 (*Notices*).

(c) The principal amount redeemable on any Payment Date under Condition 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*) above (the **Principal Payment**) shall be calculated by the Calculation Agent as follows:

(i) in respect of each Class A Note, by (X) dividing the Class A Notes Amortisation Amount by the number of Class A Notes outstanding on such Payment Date; and (Y) rounding the resulting amount downward to the nearest cent;

(ii) in respect of each Class B Note, by (X) dividing the Class B Notes Amortisation Amount by the number of Class B Notes outstanding on such Payment Date; and (Y) rounding the resulting amount downward to the nearest cent.

6.3 Redemption for Issuer Tax Event

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

(i) the *patrimonio separato* of the Issuer in respect of the Securitisation becomes subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein or any applicable taxing authority having jurisdiction; or

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

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

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

(b) The Issuer's right to redeem in the manner described above shall be subject to:

(i) it giving not more than 25 nor less than 10 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem all, but not only some, of the Notes (or the Class A Notes, as applicable) on the next succeeding Payment Date at their Principal Amount Outstanding together with interest accrued to but excluding the date of such redemption; and

(ii) it providing to the Representative of the Noteholders:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international reputation (approved in writing by the Representative of the Noteholders) opining on the relevant change in, or amendment to, the laws or regulations or the relevant change in the official interpretation of the laws or regulations thereof; and

(B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its obligations under (i) all the Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes; or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, provided that the Class B Noteholders have consented to such partial redemption of the Class B Notes and such consent has been evidenced in writing to the Issuer and the Representative of the Noteholders.

(c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled to dispose of the Portfolio in order to finance the redemption of the Notes (or the Class A Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Available Distribution Amounts in or towards redeeming the Notes (or the Class A Notes, as applicable) together with all interest accrued thereon subject to and

in accordance with Condition 4.2 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*).

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

6.4 Early redemption at the option of the Issuer

(a) Subject as provided in this Condition 6.4, on any Payment Date prior to the service of a Trigger Event Notice, if, as at the immediately preceding Determination Date, the aggregate Outstanding Balance of the Performing Receivables is equal to or less than 10% of the Outstanding Balance of the Portfolio as at the Issue Date (such relevant Payment Date, the **Clean Up Option Date**), the Issuer may redeem at its option (the **Clean Up Option**) all, but not only some of, the Notes (or all the Class A Notes and part of the Class B Notes, as applicable) at their Principal Amount Outstanding (plus any accrued but unpaid interest).

(b) The Issuer's right to redeem in the manner described above shall be subject to:

(i) it giving not more than 25 nor less than 10 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem all, but not only some, of the Notes (or the Class A Notes, as applicable) on the next succeeding Payment Date at their Principal Amount Outstanding together with interest accrued to (but excluding) the date of such redemption in accordance with the Accelerated Amortisation Period Priority of Payments; and

(ii) it providing to the Representative of the Noteholders a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its obligations under all the Class A Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes; or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith.

(c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) shall be entitled to dispose of the Portfolio in order to finance the redemption of the Notes (or the Class A Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Available Distribution Amounts in or towards redeeming the Notes (or the Class A Notes, as applicable) together with all interest accrued thereon subject to and in accordance with Condition 4.2 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*).

(d) Upon the Issuer having exercised its Clean Up Option, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

6.5 Class A Notes Amortisation Amount, Class B Notes Amortisation Amount, Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or shall cause to be determined by the Calculation Agent the amounts to be calculated in respect of the Notes under this Condition 6, including:

(a) the Class A Notes Amortisation Amount applicable on the next following Payment Date in respect of the Class A Notes and the Class B Notes Amortisation Amount applicable on the next following Payment Date in respect of the Class B Notes;

(b) the Principal Payment (if any) due on the next following Payment Date in respect of each Note of each Class; and

(c) the Principal Amount Outstanding of each Note of each Class on the next following Payment Date (after deducting any Principal Payment due to be made on that Payment Date).

Each determination by or on behalf of the Issuer in respect of the any of the amounts indicated above shall in each case (in the absence of manifest error) be final and binding on all parties.

The Issuer will, on each Calculation Date, cause each determination of a Principal Payment (if any) and the Principal Amount Outstanding to be notified forthwith by the Calculation Agent to the Representative of the Noteholders, the Paying Agent and Monte Titoli (through the Paying Agent) and (for so long as the Class A Notes are listed on the Stock Exchange) the Stock Exchange and will cause notice of each determination of a Principal Payment and the Principal Amount Outstanding to be given in accordance with Condition 14 (*Notices*).

Subject as provided in the Transaction Documents, if the Issuer or the Calculation Agent does not at any time for any reason determine the Class A Notes Amortisation Amount, the Class B Notes Amortisation Amount, the Principal Payments and the Principal Amount Outstanding in accordance with the preceding provisions of this paragraph, such Class A Notes Amortisation Amount, Class B Notes Amortisation Amount, Principal Payments and/or Principal Amount Outstanding shall be determined by the Representative of the Noteholders (or, without prejudice to the Representative of the Noteholders' obligation to make such determination, such other person as it may instruct for this purpose) in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of manifest error) be final and binding on all parties.

6.6 Notice of redemption

Any such notice as is referred to in Conditions 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*), or 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*) above shall (i) be published in accordance with Condition 14 (*Notices*) and (ii) be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes of the relevant Class at amounts specified in this Condition 6.

6.7 No purchase by Issuer

The Issuer may not purchase any of the Notes.

6.8 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

7. PAYMENTS

(a) Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes. Alternatively, the Paying Agent may arrange for payments of principal and interest in respect of the Notes to be made to the Noteholders through Euroclear and Clearstream, Luxembourg to be credited to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Payments made by or on behalf of the Issuer to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

(b) Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws, regulations and directives in the place of payment or other laws to which the Issuer or its agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8 (*Taxation*).

(c) If the due date for payment of any amount of interest or principal in respect of any Note is not a local business day in a relevant jurisdiction, then the relevant Noteholder will not be entitled to payment until the immediately succeeding local business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

(d) The Issuer may at any time (with the prior written approval, not to be unreasonably withheld, of the Representative of the Noteholders), vary or terminate the appointment of the Paying Agent and appoint a substitute subject to the terms of the Cash Allocation, Management and Payment Agreement. Notice of any such termination or appointment will be given to the Noteholders in accordance with Condition 14 (*Notices*).

In this Condition 7, the expression **local business day** means a day (other than a Saturday or a Sunday or a public holiday) (i) on which banks are generally open for business to the public in the place where the registered office of any Monte Titoli Account Holder is located and, in the case of payment by transfer to an account maintained by the payee in a different place, in such place; and (ii) which is a Payment Business Day.

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Withholding or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

9. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest)

from the appropriate Relevant Date. In this Condition 9, **Relevant Date** in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all Notes due on or before that date has not been duly received by the Paying Agent on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

10. TRIGGER EVENTS

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

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

(b) **Non payment of principal**: default is made in respect of any repayment of (i) principal due on the Most Senior Class of Notes on the Legal Final Maturity Date or any other date of early repayment pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*); or (ii) principal when due and payable on the Most Senior Class of Notes (provided that the Issuer has sufficient Available Distribution Amounts available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

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

(d) **Breach of Representations and Warranties**: any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 10 (ten) Business Days after the earlier of the Issuer (i) becoming aware of such breach and (ii) having received notice by the Representative of the Noteholders specifying such breach; or

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

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

(g) **Unlawfulness**: it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document

or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason; or

(h) **Invalid Security**: any Security Interest purported to be created under the Issuer Security pursuant to the Spanish Pledge Agreement is or becomes invalid, ineffective or unenforceable.

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

(a) shall, in case of the Trigger Events set out under items (a), (b), (e), (f), (g) and (h) of paragraph 10.1 above;

(b) shall, to the extent requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under items (c) and (d) of paragraph 10.1 above,

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

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

11. ENFORCEMENT

At any time after the Notes have become due and repayable following the service of a Trigger Event Notice and without prejudice to the Representative of the Noteholders' right to enforce the Spanish Pledge Agreement and the relevant Issuer Security:

(a) the Representative of the Noteholders may, at its discretion and without further notice, (in accordance with the terms of the Transaction Documents) take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Portfolio and to enforce the Issuer Security and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it shall have been directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or so requested in writing by the holders of at least 75 per cent. of the aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes and, in all cases, it shall have been indemnified and/or secured to its satisfaction; and

(b) the Representative of the Noteholders shall become entitled to dispose of the Portfolio in whole or in part, *provided that* the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

(i) a sufficient amount would be realised to allow payment in full of all amounts owing to the holders of the Class A Notes after payment of all other claims ranking in

priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments; or

(ii) the Representative of the Noteholders is of the reasonable opinion, which shall be binding on the Noteholders and the Other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition 11(b) shall not apply) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments, it being understood that the Representative of the Noteholders shall not be bound to make the determination indicated above unless the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

12. REPRESENTATIVE OF THE NOTEHOLDERS

12.1 The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.

12.2 Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules. However, the initial Representative of the Noteholders has been appointed at the time of issue of the Notes by the initial Notes Subscribers under the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

13. LISTING AND ADMISSION TO TRADING

Application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on its regulated market the Class A Notes. The Class B Notes shall not be listed on any stock exchange.

14. NOTICES

14.1 So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

14.2 So long as the Class A Notes are listed on the Stock Exchange and the rules of the Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Stock Exchange (www.bourse.lu) (for the avoidance of doubt, such website does not constitute part of the Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

14.3 In addition, so long as the Class A Notes are listed on the Stock Exchange, any notice regarding the Class A Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the **Transparency Directive**).

14.4 The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

15. AMENDMENTS, WAIVERS AND CONSENTS

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make amendment or modification to these Conditions or any of the Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 14 (*Notices*), as soon as practicable after it has been made.

16. DETERMINATIONS CONCLUSIVE

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders shall, in the absence of manifest error, be binding on the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders and on all the Noteholders and the Other Issuer Secured Creditors and (in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*)) no liability to the Noteholders shall attach to the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

17. NON PETITION AND LIMITED RECOURSE

17.1 Without prejudice to the right of the Representative of the Noteholders to enforce the Issuer Security or to exercise any of its other rights or remedies under the Transaction Documents, none of the Noteholders shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, Insolvency Proceedings or similar proceedings until two years and one day has elapsed since the later of the day on which the Notes have been paid (or cancelled) in full.

17.2 None of the Noteholders or any Other Issuer Secured Creditor will have any right or entitlement to the Issuer's assets other than such of the proceeds of the Issuer Security and the Portfolio and the other Securitisation Assets as are available to the Issuer for this purpose in accordance with these Conditions and the Transaction Documents. Each Noteholder and each Other Issuer Secured Creditor further acknowledges that the limited recourse nature of the Notes produces the effect under Italian law of a *contratto aleatorio* and accepts the consequences thereof, including the consequences of Article 1469 of the Italian Civil Code.

17.3 If:

(a) following the service of a Trigger Event Notice and following the enforcement of the Issuer Security and the exercise by the Representative of the Noteholders or any other person so entitled of its rights to direct the Issuer and/or to take any action in respect of the Portfolio and any asset or amount derived therefrom; or

(b) on the Legal Final Maturity Date (but subject in any case to the provisions of Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*)), the aggregate funds

available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation (for the purposes of this Condition 17, the **Relevant Obligation**) on the Notes of any Class (for the purposes of this Condition 17, the **Relevant Notes**) or in respect of any obligation owed to any Transaction Party under any Transaction Document (for the purposes of this Condition 17, the **Relevant Document**), which, but for the operation of this Condition 17, would be due and payable, are not sufficient to pay in full the aggregate amount which, but for the operation of this Condition 17, would be due and payable on the Relevant Notes or under the Relevant Document in respect of the Relevant Obligations on the relevant date, then, notwithstanding any other provision in these Conditions or of any Transaction Document, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document, as the case may be, shall be due and payable on any Relevant Note or under the Relevant Document, respectively, on the relevant date subject to and in accordance with the applicable Priority of Payments and the balance of the amount outstanding in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document which, but for the operation of this Condition 17, would be due and payable, shall cease to be due and payable and shall be definitively cancelled.

17.4 The *pro rata* amount due and payable in respect of any Relevant Obligation under the Relevant Notes shall be calculated by multiplying the amounts available to make payments in respect of the Relevant Obligation on the Relevant Note by a fraction, the numerator of which is the Principal Amount Outstanding of such Relevant Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Relevant Notes of the relevant Class, rounding down the resultant figure to the nearest Euro cent.

18. GOVERNING LAW AND JURISDICTION

18.1 Governing law

The Notes, these Conditions, the Rules and the other Italian law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. The Spanish Pledge Agreement is governed by, and shall be construed in accordance with, Spanish law.

18.2 Jurisdiction

(a) The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes, these Conditions, the Rules and the other Italian law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts. The Issuer has in each of the Italian law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

(b) The Courts and Tribunals of Madrid are to have jurisdiction to settle any disputes that may arise out of or in connection with the Spanish Pledge Agreement, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, may be brought in such courts and tribunals. The Issuer has in the Spanish Pledge Agreement irrevocably submitted to the jurisdiction of such courts and tribunals.

SCHEDULE 1

RULES OF THE ORGANISATION OF NOTEHOLDERS

PART 1

GENERAL PROVISIONS

1. GENERAL

The organisation of the Noteholders is created concurrently with the issue and the subscription of the Notes, it is governed by these Rules of the Organisation of Noteholders (the **Rules**), and it shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these Rules are deemed to form part of each Note issued by the Issuer.

2. DEFINITIONS

In these Rules, the following terms shall have the following meanings:

24 Hours means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included all or part of a day upon which banks are open for business, as above;

48 Hours means two consecutive periods of 24 Hours;

Basic Terms Modification means:

(a) a modification of the Legal Final Maturity Date;

(b) a modification which would have the effect of cancelling or postponing any date for payment of interest on the Notes;

(c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of any Class of Notes or the interest rate applicable in respect of any Class of Notes;

(d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable to the holders of any Class of Notes;

(e) a modification which would have the effect of altering the majority required to pass a Resolution provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*) below or the quorum required at any Meeting provided for under paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) below;

(f) a modification which would have the effect of altering the currency of payment in respect of any Class of Notes or any alteration of the date or priority of payment or redemption of any Class of Notes;

(g) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as holders of the Issuer Security, to applications of funds as provided for in the Transaction Documents;

(h) the appointment and removal of the Representative of the Noteholders; and

(i) an amendment of this definition;

Blocked Notes means the Notes which have been blocked in an account with the Monte Titoli Account Holder for the purposes of obtaining (i) a Voting Certificate or (ii) if applicable, a Blocked Voting Instruction and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

Blocked Voting Instruction means, in relation to any Meeting, a document issued by the Paying Agent:

(a) confirming that, on the basis of the Voting Certificate shown by the relevant Noteholder, the Blocked Notes have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

(b) stating that, on the basis of the Voting Certificate shown by the relevant Noteholder, the relevant holder of each Blocked Note has requested that (i) the votes attributable to such Blocked Note are to be cast in a particular way on each Resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked and (ii) one or more Proxies named therein are authorised to vote on its behalf in respect of the Blocked Notes in accordance with such instructions; and

(c) attaching the relevant Voting Certificate;

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman of the Meeting*);

Class of Notes means (a) the Class A Notes; or (b) the Class B Notes, as the context requires;

Extraordinary Resolution means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 18 (*Powers exercisable by an Extraordinary Resolution*) of Part 2 of these Rules;

Issuer's Rights means the Issuer's right, title and interest in and to the Receivables, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Representative of the Noteholders and any Other Issuer Secured Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the Securitisation;

Meeting means a meeting of the Relevant Class of Noteholders (whether originally convened or resumed following an adjournment);

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream and Euroclear;

Ordinary Resolution means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 17 (*Powers Exercisable by an Ordinary Resolution*);

Proxy means, in relation to any Meeting, a person (who need not to be a Noteholder) indicated under a Blocked Voting Instruction as the person entitled to vote in a Meeting in accordance with the instructions reproduced in such Blocked Voting Instruction;

Relevant Class of Noteholders means (a) the Class A Noteholders; and/or (b) the Class B Noteholders or a combination of the Class A Noteholders and the Class B Noteholders, as the context requires;

Relevant Fraction means:

(a) for voting on any Ordinary Resolution, (i) one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(d) for voting on any Ordinary Resolution or any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) one-twentieth of the Principal Amount Outstanding of the Notes of that Class of Notes (in case of a Meeting of a particular Class of Notes), or (ii) one-twentieth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(e) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), one-third of the Principal Amount Outstanding of the relevant Class of Notes;

Resolution means each of the Ordinary Resolution and the Extraordinary Resolution, as the context may require;

Voter means, in relation to any Meeting, the holder of a Blocked Note;

Voting Certificate means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder under the Monte Titoli system pursuant to 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 Monte Titoli Account Holders (under the Monte Titoli 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 **Noteholders** shall be considered as a reference to the Class A Noteholders and/or the Class B Noteholders, as the case may be.

PART 2

THE MEETING OF NOTEHOLDERS

1. GENERAL

Any resolution passed at a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with these Rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

The following provisions shall apply while Notes of two or more Classes of Notes are outstanding:

(a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of the Notes of such Class of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a single Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion, provided however that (i) each time that in the opinion of the Representative of the Noteholders there is an actual or potential conflict of interest between the holders of one Class of Notes and the holders of any other Class of Notes, or (ii) an Extraordinary Resolution relating to Basic Terms Modifications shall be taken, the relevant Resolution shall be transacted, proposed and adopted at separate Meetings of the holders of each Class of Notes.

In this subparagraph **business** includes (without limitation) the passing or rejection of any Resolution.

In relation to each Class of Notes:

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

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

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

2. ISSUE OF VOTING CERTIFICATES AND BLOCKED VOTING INSTRUCTIONS

In order to provide evidence of its entitlement to attend a Meeting and/or vote in that Meeting (also by way of a Written Resolution or through a Proxy), any Noteholder shall request to the Monte Titoli Account Holder the issue of Voting Certificates. Should the Noteholder want that the vote is casted in a particular way and that a Proxy votes on its behalf on the relevant Meeting, shall require the Paying Agent (providing it with the relevant Voting Certificate) to issue a Blocked Voting Instruction instructing how the vote shall be casted and the appointed Proxy, in each case by arranging for their Notes to be blocked in an account with a clearing system not later than 48 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders.

A Voting Certificate or a Blocked Voting Instruction shall be valid until the conclusion of the Meeting or any adjournment of such Meeting (if any), when the Blocked Notes to which it relates shall be released.

So long as a Voting Certificate or a Blocked Voting Instruction is valid, the bearer of it (in the case of a Voting Certificate) or any Proxy named in it (in the case of a Blocked Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting.

3. VALIDITY OF BLOCKED VOTING INSTRUCTIONS

A Blocked Voting Instruction shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at some other place approved by the Paying Agent, at least 24 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders and, if not deposited before such deadline, the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Paying Agent so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Paying Agent shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

4. CONVENING OF MEETING

The Representative of the Noteholders may convene a Meeting at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing of:

(a) Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes; or

(b) the Issuer's board of directors or the sole director (as the case may be),

subject in each case to being indemnified and/or secured to its satisfaction.

Every Meeting convened by the Representative of the Noteholders shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in an EU Member State.

If any of the Noteholders or the Issuer has requested the Representative of the Noteholders to convene the Meeting, they or it shall send a communication in writing to that effect to the Representative of the Noteholders suggesting the day, time and location of the Meeting, and specifying the items to be included in the agenda and the full text of any Resolution to be proposed.

5. NOTICE

At least 21 days' notice, 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 7 (*Quorum for Conducting Business at meetings and passing resolutions*) and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). Any notice to Noteholders shall be given in accordance with Condition 14 (*Notices*). The notice shall set out the full text of any Resolutions to be proposed (unless the Representative of the Noteholders determines - in its absolute discretion - that the notice shall instead specify the nature of the Resolution to be proposed at such Meeting without specifying the full text) and shall state that the Notes must be blocked in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing Proxies (in accordance with the terms of these Rules) not later than 48 Hours before the time fixed for the Meeting.

6. CHAIRMAN OF THE MEETING

Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (a) if no such nomination is made; or (b) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

7. QUORUM FOR CONDUCTING BUSINESS AT MEETINGS AND PASSING RESOLUTIONS

The quorum for conducting business (*quorum costitutivo*) (relating either to an Ordinary Resolution or an Extraordinary Resolution) at any Meeting convened by due notice shall be at least Voters representing or holding not less than the Relevant Fraction relative to (a) that Class of Notes (in case of a Meeting of one Class of Notes) or (b) all relevant Classes of Notes (in case of a joint Meeting).

The quorum for passing an Ordinary Resolution and an Extraordinary Resolution (*quorum deliberativo*) at any Meeting is provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*).

8. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting the quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:

  (i) the Meeting shall be dissolved if the Issuer so decides; and

  (ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

9. ADJOURNED MEETING

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

10. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

(a) at least ten days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given unless the notice of the original Meeting set the date for a second call, in which case no such notice shall be necessary;

(b) the notice shall specifically set out the quorum determined in accordance with paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

11. PARTICIPATION

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent;

(c) the directors, internal auditors (*sindaci*) (if appointed) and external auditors (*revisori*) of the Issuer;

(d) the financial advisers to the Issuer;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent;

(f) the Representative of the Noteholders; and

(g) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

12. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION

An Ordinary Resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

An Extraordinary Resolution is validly passed when the seventy-five (75) per cent. of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

13. VOTING BY SHOW OF HANDS

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded pursuant to paragraph 14 (*Voting By Poll*) before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a Resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the Resolution.

14. VOTING BY POLL

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters who represent or hold at least one-twentieth of the Principal Amount Outstanding of the relevant Class of Notes.

If at any Meeting a poll is so demanded, it shall be taken in such manner and either at once or after such adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. Notwithstanding the foregoing, the demand for a poll shall not prevent the continuance of the

Meeting for the transaction of any business other than the question on which the poll has been demanded.

Any poll demanded at any Meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

15. VOTES

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

Unless the terms of any Blocked Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

16. VOTING BY PROXIES

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment except for any appointment of a Proxy in relation to a Meeting which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

17. POWERS EXERCISABLE BY AN ORDINARY RESOLUTION

The Meeting shall have exclusive powers on the following matters:

(a) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute a Trigger Event;

(d) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any receivables on which a charge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents.

18. POWERS EXERCISABLE BY AN EXTRAORDINARY RESOLUTION

Without limitation to the exclusive powers of the Meeting listed in paragraph 17 (Powers Exercisable by an Ordinary Resolution), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes, the Conditions or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) without prejudice to the Conditions, approval of any alteration of the provisions contained in these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(e) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these Rules, the Notes, the Conditions or any other Transaction Document;

(f) giving any direction or granting any authority or sanction which, under the provisions of these Rules, the Conditions or the Notes, is required to be given by Extraordinary Resolution (including, without limitation, (i) the sanctioning of each of the events described in paragraphs (iii) and (iv) of Condition 10.1 (*Trigger Events*); (ii) the service of a Trigger Event Notice pursuant to Condition 10.2 (*Trigger Events*); (iii) the taking of any steps and/or instituting any proceedings, to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document in accordance with Condition 11 (*Enforcement*); and (iv) the approval of individual action or remedy to be taken or sought by a Noteholder to enforce his or her rights under the Notes pursuant to Condition 17 (*Non Petition and Limited Recourse*);

(g) authorisation and sanctioning of actions of the Representative of the Noteholders under these Rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer from its obligations by the Representative of the Noteholders; and

(h) to appoint and remove the Representative of the Noteholders.

19. CHALLENGE OF RESOLUTION

Any Noteholder can challenge a Resolution which is not passed in conformity with the provisions of these Rules.

20. MINUTES

Minutes shall be made of all Resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all Resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

21. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by an Ordinary Resolution, as if it were an Ordinary Resolution.

22. INDIVIDUAL ACTIONS AND REMEDIES

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has resolved to authorise such action or remedy and in accordance with the provisions of this paragraph 22.

PART 3

THE REPRESENTATIVE OF THE NOTEHOLDERS

1. APPOINTMENT, REMOVAL AND REMUNERATION

1.1 Appointment

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this paragraph 1, save in respect of the appointment of the first Representative of the Noteholders which, in accordance with the Intercreditor Agreement, will be Zenith Service 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.

1.2 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.

1.3 Duration of appointment

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) under clause 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Notholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

1.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

1.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee, which will be paid in equal instalments monthly in arrears on each Payment Date, for its services as Representative of the Noteholders as from the date hereof and as agreed under a separate fee letter. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priorities of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

In the event of the Representative of the Noteholders considering it necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the duties of the Representative of the Noteholders set out in the Conditions or in the Rules, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them. In the event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon the amount of such additional remuneration, then such matter shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third merchant bank (the expenses involved in such nomination and the fees of such merchant banks being payable by the Issuer) and the determination of any such nominated merchant bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

2. DUTIES AND POWERS

2.1 Legal Representative

The Representative of the Noteholders is the legal representative of the organisation of the Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the **Relevant Provisions**).

2.2 Meetings

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders. The Representative of the Noteholders has the right to attend Meetings. Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders of a Class of Notes vis-à-vis the Issuer.

2.3 Conflict of interests

Each of the Noteholders acknowledges and agrees that the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Class A Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post-Enforcement Priority of Payments.

2.4 Delegation of powers by the Representative of the Noteholders

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any of such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate appointed by it in good faith and with reasonable care and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

2.5 Insurance

The Representative of the Noteholders shall have the power (but not the obligation) to insure against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it:

(a) as a result of the Representative of the Noteholders acting or failing to act in a certain way (otherwise than by reason of its breach of trust, wilful default, gross negligence or fraud);

(b) as a result of any act or failure to act by any person to whom the Representative of the Noteholders has delegated any of its trusts, powers, authorities, duties, discretions and obligations or appointed as its agent;

(c) in connection with the Issuer Security or the enforcement of the Security Interest created in respect of the Issuer Security,

and the Issuer shall, to the extent such insurance does not form part of the normal insurance cover carried by the Representative of the Noteholders for its business activities, pay all insurance premiums and expenses which the Representative of the Noteholders may properly incur in relation to such insurance, subject to the applicable Priority of Payments.

2.6 Representation in Insolvency Proceedings

The Representative of the Noteholders shall be authorised to represent the Noteholders in judicial proceedings, including enforcement proceedings and Insolvency Proceedings against the Issuer in so far as they relate to the Notes and the other Transaction Documents.

2.7 Minor amendments or modifications

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

(a) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Class A Notes; and

(b) any amendment or modification to these Conditions or to any of the Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

2.8 Waiver or authorisation of breach

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditor (other than those which are parties to the relevant Transaction Documents) and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Class A Notes will not be materially prejudiced by such authorisation or waiver, provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Class A Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

2.9 Advice from experts

The Representative of the Noteholders shall be entitled to act on the advice, certificate or opinion of or on any information obtained from any lawyer, accountant, banker, rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, provided that, where such lawyer, accountant, banker, rating agency or other expert is appointed by the Representative of the Noteholders, such appointment is made with due care in all the circumstances, and, subject to the aforesaid, the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*), be liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained

in, or purported to be conveyed by, any such letter, telex, telegram, email, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

2.10 Certificates of Issuer as sufficient evidence

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate.

2.11 Certificates of Other Issuer Secured Creditors as sufficient evidence

The Representative of the Noteholders shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine of any party to the Intercreditor Agreement, any Other Issuer Secured Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so.

2.12 Certificate from Monte Titoli Account Holder or common depository as sufficient evidence

The Representative of the Noteholders may call for, and shall be at liberty to accept and place full reliance on, as suitable evidence of the facts stated therein, a certificate or letter of confirmation as true and accurate and signed on behalf of any Monte Titoli Account Holder or common depository, as the case may be, as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time, or throughout any particular period, any party hereto is, was or will be shown in its records as entitled to a determined number of Notes.

2.13 Discretion in exercise of rights and powers

The Representative of the Noteholders, save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by the Conditions, these Rules or any other Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful default (*dolo*).

2.14 Instructions in respect of discretional matters

In relation to the matters in respect of which the Representative of the Noteholders is entitled to exercise any of its rights and discretions hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such right or discretion. The Representative of the Noteholders shall not be obliged to take any action in respect of the Conditions, these Rules or any other Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action.

2.15 Full reliance on resolutions of Noteholders

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

2.16 Trigger Event

Subject as provided in Condition 10, the Representative of the Noteholders may determine whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such determination shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party to any of the Transaction Documents.

2.17 Default of the Issuer capable of remedy

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Conditions or contained in the Notes or any other Transaction Documents is capable of remedy and, if the Representative of the Noteholders certifies that any such default is not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party hereto.

2.18 No Notes held by the Issuer

The Representative of the Noteholders may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer.

2.19 Acknowledgement of role and functions of the Representative of the Noteholders

Each Noteholder, by acquiring title to a Note, is deemed to acknowledge and accept the provisions of the Spanish Pledge Agreement and the other Transaction Documents and agree and acknowledge that:

(a) the Representative of the Noteholders has agreed to become a party to each of the Transaction Documents to which the Issuer is a party only for the purpose of taking the benefit of such Transaction Document and regulating the agreement of amendments to it;

(b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders the right (a) to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that Noteholder's rights under the Securitisation Law in respect of the Portfolio and all amounts and/or other assets of the Issuer arising from the Portfolio and the Transaction Documents not subject to the Issuer Security and (b) to enforce its rights as an Issuer Secured Creditor for and on its behalf under the Spanish Pledge Agreement and in relation to the Issuer Security, subject to, and in accordance with, the Spanish Pledge Agreement;

(c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Issuer Security or to take any steps

against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Class and recovering any amounts owing under the Notes or under the Transaction Documents;

(d) the Representative of the Noteholders shall have exclusive rights under the Spanish Pledge Agreement to make demands, give notices, exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in respect of the Issuer Security;

(e) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under the Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Italian Banking Act or otherwise, unless a Trigger Event Notice shall have been served or an Issuer Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(f) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code; and

(g) the provisions of this paragraph 2 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

3. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders provided that if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to paragraph 1.2 above.

4. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders, in its capacity as such, shall not assume any other obligations related to the Securitisation in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) *No ascertainment of events*

shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder under these Rules, the Notes, the Conditions or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

(b) *No monitoring duties*

shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other Transaction Party of the provisions of, and their obligations under, these Rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) *Collection and payment services*

shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of Article 2, paragraph 6 of the Securitisation Law and the relevant Implementing Regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy;

(d) *No notices related to the Securitisation*

except as expressly required under the Transaction Documents, shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(e) *No investigation duties*

shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other Transaction Party; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Receivables; or (vi) any matter which is the subject of any recitals, statements, warranties or representations of any party, other

than the Representative of the Noteholders contained herein or in any Transaction Document;

(f) *Use of proceeds*

shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(g) *Maintenance of rating*

shall have no responsibility for the maintenance of the rating of the Class A Notes by the Rating Agencies or any other credit or rating agency or any other person;

(h) *Rights and title to the Receivables*

shall not be bound or concerned to examine, or enquire into, or be liable for any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) *No registration duties*

shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(j) *No insurance obligations*

shall not be under any obligation to insure the Loans, the Receivables or any part thereof;

(k) *No responsibility for calculations and payments*

shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priorities of Payments;

(l) *No regard of domicile of Noteholders*

shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) *Effect of amendments*

shall not be under any obligation to consider the effect of any amendment of these Rules, the Conditions or any of the Transaction Documents on the financial condition of individual Noteholders or any other Transaction Party;

(n) *No disclosure of information*

shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Secured Creditor or any other person any confidential, financial, price sensitive or other information made available

to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Secured Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(o) *Rating Agencies*

shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions that such exercise will not be prejudicial to the interests of the Noteholders if the Rating Agencies (except for Fitch) have confirmed that the then current rating of the Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise.

Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

If required to do so pursuant to the provisions of the Servicing Agreement, the Representative of the Noteholders shall use its best efforts to identify and propose a Back-up Servicer, it being understood that the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on its part, be held liable if no Back-up Servicer is identified.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

5. ISSUER SECURITY

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Noteholders and the Other Issuer Secured Creditors under the Issuer Security.

The Representative of the Noteholders, acting on behalf of the Issuer Secured Creditors, may:

(a) *Payments under the Issuer Security*

prior to enforcement of the Issuer Security, appoint and entrust the Issuer to collect, in the interest of the Issuer Secured Creditors and on their behalf, any amounts deriving from the Issuer Security and may instruct, jointly with the Issuer, the obligors whose obligations form

part of the Issuer Security to make any payments to be made thereunder to an Issuer Account;

(b) *Deposit of amounts*

acknowledge that any of the Issuer Accounts to which payments have been made in respect of the Issuer Security shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code and agree that such Issuer Accounts shall be operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement;

(c) *Use of funds*

agree that cash deriving from time to time from the Issuer Security and the amounts standing to the credit of any of the Issuer Accounts shall be applied prior to enforcement of the Issuer Security, in and towards satisfaction not only of amounts due to the Issuer Secured Creditors, but also of such amounts due and payable to the Other Issuer Secured Creditors that rank *pari passu* with, or higher than, the Issuer Secured Creditors, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Issuer Secured Creditors have been paid in full, also towards satisfaction of amounts due to the Other Issuer Secured Creditors that rank below the Issuer Secured Creditors. The Issuer Secured Creditors irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the Issuer Security and amounts standing to the credit of any of the Issuer Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the Issuer Security, under the Issuer Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

6. INDEMNITY

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all costs, liabilities, losses, charges, expenses (provided, in each case, that supporting documents are delivered), damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these Rules, the Conditions or any other Transaction Document, including but not limited to properly incurred legal expenses, reasonable travelling expenses and any reasonable attorney's fees, stamp, issue, registration, documentary and other taxes or duties due to be paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought against or contemplated by the Representative of the Noteholders pursuant to these Rules, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these Rules, the Notes or the Transaction Documents, other than as a result of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders.

PART 4

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER EVENT NOTICE AND/OR OCCURRENCE OF AN ISSUER INSOLVENCY EVENT AND/OR A SPECIFIED EVENT

1. POWERS

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise that, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, has been irrevocably appointed as from the date of execution of the Intercreditor Agreement and with effect on the date on which the Notes will become due and payable following the service of a Trigger Event Notice or the occurrence of an Issuer Insolvency Event, as exclusive, true and lawful agent (*mandatario esclusivo con rappresentanza*), of the Noteholders and the Other Issuer Secured Creditors to, including without limitation, receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the applicable Priority of Payments.

In particular, the Representative of the Noteholders shall be authorised to:

(a) exercise all and any of their rights under the Securitisation Law in respect of the Portfolio and the available Collections and all amounts and/or other assets of the Issuer deriving from the Portfolio not subject to the Issuer Security, if any;

(b) exercise and/or enforce, in their name and on their behalf and interest all their rights under the Issuer Security, subject to, and in accordance with, the Spanish Pledge Agreement;

(c) receive on their behalf all moneys resulting from the action under (a) and (b) above or otherwise payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors, such moneys to be applied by the Representative of the Noteholders in accordance with the applicable Priority of Payments;

(d) following the occurrence of an Issuer Insolvency Event only, deal with the insolvency procedure (including the filing of any claim for payment) and to receive on their behalf from the procedure any and all monies payable by the insolvency receiver to any of the Issuer Secured Creditors and to apply such monies in accordance with the applicable Priority of Payments; and

(e) do any act, matter or thing which it considers necessary to exercise or protect the Noteholders and the Other Issuer Secured Creditors' rights under any of the Transaction Documents.

In addition, the Representative of the Noteholders, in its capacity as true and lawful agent (*mandatario con rappresentanza*) of the Issuer in the interest, and for the benefit of, the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1723, second paragraph of the Italian Civil Code, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, upon service of a Trigger Event Notice and/or occurrence of Specified Event, in the name and on behalf of the Issuer any and all of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In particular, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(i) to request the Account Banks to transfer all monies standing to the credit of each of the Issuer Accounts and/or the Expenses Account to replacement accounts opened for such purpose by the Representative of the Noteholders with the same or a replacement Account Bank;

(ii) to require performance by any Issuer Secured Creditor of its obligations under the relevant Transaction Document to which such Issuer Secured Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Secured Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Secured Creditors in respect of the Portfolio, the Receivables, the Securitisation Assets and the Issuer's Rights;

(iii) to instruct the Servicer in respect of the recovery of any amounts due under the Portfolio or in relation to any other Securitisation Asset and/or the Issuer's Rights;

(iv) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all available Collections (by way of a power of attorney granted under the terms of the Intercreditor Agreement) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments, *provided however that* if the amount of the monies at any time available to the Issuer or the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of all Classes of Notes the Representative of the Noteholders may at its discretion invest such monies (or cause such monies to be invested) in Eligible Investments. The Representative of the Noteholders at its discretion may accumulate such Eligible Investments and the resulting income until the earlier of: (i) the day on which the accumulations, together with any other funds for the time being under the control of the Representative of the Noteholders and available for such purpose, amount to at least 10% of the Principal Amount Outstanding of all Classes of Notes; and (ii) the Business Day immediately following the service of a Trigger Event Notice or the occurrence of an Issuer Insolvency Event that would have been a Payment Date. Such accumulations and funds shall be applied to make the payments listed in the Post-Enforcement Priority of Payments; and

(v) to distribute the monies from time to time standing to the credit of the Issuer Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (i) above to the Noteholders and the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

PART 5

GOVERNING LAW AND JURISDICTION

Governing Law and Jurisdiction

These Rules and any non-contractual obligations arising out of or in connection with these Rules are governed by, and will be construed and interpreted in accordance with, the laws of Italy.

All disputes arising out of or in connection with these Rules and any non-contractual obligations arising out of or in connection with these Rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

EXPECTED MATURITY AND EXPECTED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

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

The weighted average life of the Class A Notes refers to the average length of time (on an actual/360 basis) that will elapse from the date of issuance of the Class A Notes to the date of repayment to the investors of all principal amounts due in relation to the Class A Notes. The weighted average life of the Class A Notes will vary according to the rate at which principal payments are received on the Receivables, which shall be determined on the basis of amortisation, scheduled principal payments, prepayments and actual collections received in respect of each Receivable; calculations as to the expected maturity and average life of the Class A Notes have been based on certain assumptions, including the following:

(a) during the Revolving Period, the purchase of Additional Receivables does not change the amount and the composition of the Portfolio;

(b) at the end of the Revolving Period, the scheduled amortisation profile of the Portfolio is equal to the scheduled amortisation profile of the Initial Receivables;

(c) all amounts credited as principal shall be applied to finance the purchase of Additional Receivables complying with the Eligibility Criteria;

(d) no repurchase or rescission of the assignment of Purchased Receivables has occurred;

(e) no Amortisation Event, Accelerated Amortisation Event and/or Trigger Event has occurred;

(f) no early redemption of the Notes under the circumstances indicated under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) has occurred;

(g) there are no delinquencies or defaults on the Receivables, and scheduled principal payments on the Receivables are received on a timely basis together with prepayments, if any, at the respective Constant Prepayment Rate (CPR%) set out in the table below;

(h) the Issuer exercises its option to redeem the Notes pursuant to Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*).

Constant Prepayment Rate (% per annum)	**Expected Average Life (years)**	**First Principal Payment Date**	**Expected Maturity**
0%	3.75	Sep-21	Apr-24
4%	3.66	Sep-21	Apr-24
8%	3.57	Sep-21	Mar-24
15%	3.43	Sep-21	Feb-24

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

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all of the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to the Securitisation Law.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders under (a), (b) or (c) above opted for the application of the risparmio gestito regime – see under "Capital gains tax" below), interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Law No. 232 of 11 December 2016 (the **Finance Act 2017**) and in Article 1(211-215) of Law No. 145 of 30 December 2018 (the "Finance Act 2019").

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorised intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law

No. 86 of 25 January 1994 or Italian real estate SICAFs (**Real Estate SICAFs**), are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF.

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy (together the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax at a rate of 26 per cent. will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Finance Act 2017 and in Article 1(211-215) of Law No. 145 of 30 December 2018.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is

in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(88-114) of Finance Act 2017 and in Article 1(211-215) of Law No. 145 of 30 December 2018.

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 of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Finance Act 2017 and in Article 1(211-215) of Law No. 145 of 30 December 2018.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration 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. (and cannot exceed €14,000, for taxpayers other than individuals) on the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

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).

The proposed European Union financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However in 2015, Estonia has announced that it no longer supports the EU FTT.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

Pursuant to the Subscription Agreement and subject to the terms and conditions provided thereunder, the Notes Subscriber has agreed to subscribe for the Notes on the Issue Date.

The Subscription Agreement is subject to a number of conditions precedent and may be terminated by the Notes Subscriber in certain circumstances prior to payment for the Notes to the Issuer. The Seller has agreed to indemnify the Arranger, and the Issuer has agreed to indemnify the Arranger and the Notes Subscriber, against certain liabilities in connection with the issue of the Notes.

The 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 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

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the relevant Notes or has in its possession, distributes or publishes such offering material, or in each case purports to do so, in all cases at its own expense. Furthermore, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any relevant Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken that it will not take any action to obtain permission for public offering of the relevant Notes in any country where action would be required for such purpose.

EEA Standard Selling Restriction

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented, warranted and agreed that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of the relevant Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of the above, the expression an **offer of the relevant Notes to the public** in relation to any relevant Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe the relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC as subsequently amended, and includes any relevant implementing measure in the Relevant Member State. Any purchase, sale, offer and delivery of all or part of the relevant Notes shall be made in compliance with Article 405 of the CRR.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a **retail investor** means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4 (1) of Directive 2014/65/EU (**MiFID II**); or (b) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**).

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment. It should be remembered that the price of securities and the income from them can go down as well as up.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person except in accordance with Regulation S under the Securities Act or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder. Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented, warranted and agreed that it has not offered or sold the relevant Notes and will not offer or sell any relevant Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act.

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that neither it, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the relevant Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the relevant Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable), has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute, any relevant Notes or any copy of the Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of the Italian Financial Law, unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of this Prospectus or any other offering material relating to the Notes may only be distributed in Italy:

(a) to "qualified investors" (*investitori qualificati*), pursuant to Article 100 of the Italian Financial Law and article 34-*ter*, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **CONSOB Regulation**); or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Italian Financial Law and article 34-*ter* of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 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

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that:

(a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the relevant Notes to the public in the Republic of France;

(b) offers, sales and transfers of the relevant Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*), other than individuals, provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Article L. 411-2 and Article D. 411-1 of the French Monetary and Financial Code; and

(c) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the relevant Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

In accordance with the provisions of Article L. 214-170 of the French Monetary and Financial Code, the Notes may not be sold by way of unsolicited calls (*démarchage*) save with qualified investors within the meaning of Article L. 411-2 of the French Monetary and Financial Code.

United Kingdom

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, the **FSMA**) received by it in connection with the issue or sale of the relevant Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the relevant Notes, as applicable in, from or otherwise involving the United Kingdom.

Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the securities market law), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws.

Prohibition of sales to EEA Retail Investors

Under the Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

i. a retail client as defined in point (11) of Article 4(1) of MiFID II; or

ii. a customer within the meaning of Insurance Mediation Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a Qualified Investor; 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 the Notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. *Qualified investor*: at any time to any legal entity which is a Qualified Investor;

2. *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than Qualified Investors), as permitted under the Prospectus Directive; or

3. *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (1) to (3) above shall require the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplemented a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

GLOSSARY OF TERMS

These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

3m Default Ratio means the sum of the last 3 available Default Ratios which shall be determined by the Calculation Agent on each Determination Date.

Accelerated Amortisation Event means the occurrence of any of the following events:

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

(d) on any Payment Date, the balance of the General Reserve Account is not replenished up to the General Reserve Required Amount.

Accelerated Amortisation Period means the period from and including the first Payment Date falling on or after the date on which an Accelerated Amortisation Event occurs and ending on the earliest to occur of:

(a) the date on which a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Accelerated Amortisation Period Priority of Payments has the meaning ascribed to such term in Condition 4.2 (*Priority of Payments during the Accelerated Amortisation Period*).

Account Bank means each of the Italian Account Bank and the Spanish Account Bank.

Additional Receivables means the Receivables that may be assigned by the Seller to the Issuer on any Subsequent Purchase Date and identified in the relevant Transfer Offer.

Adjusted Available Collections means any Collection subject to an adjustment pursuant to clause 5.6 (*Adjustments*) of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

Affected Receivable has the meaning ascribed to such term in clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Affiliate means, in relation to any person, any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person (and, for the purposes of this definition, "control" of a person means the power, direct or indirect (i) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person, or (ii) to direct or cause the direction of the management and policies of such person, whether by contract or otherwise).

Aggregate Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

AIFM Regulation means Regulation (EU) no. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (as amended, supplemented and/or replaced from time to time).

Amortisation Event means the occurrence of any of the following events:

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

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

Amortisation Event Notice means the notice to be sent by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Seller, the Servicer and the Noteholders following the occurrence of an Amortisation Event.

Amortisation Period means the period which begins (subject to no Trigger Event or no Accelerated Amortisation Event having occurred during the Revolving Period) on earlier of (i) the Scheduled Revolving Period End Date or (ii) the date on which an Amortisation Event has occurred, and ends on the earliest to occur of:

(a) the date on which an Accelerated Amortisation Event or a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Amortisation Schedule means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment, the interest rate of such Receivable being equal to the Contractual Interest Rate.

Ancillary Right means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and excluding) 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;

(e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred after the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings,

together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*); and

(f) any indemnity right to be paid by the Insurance Companies under the Insurance Policies.

Arranger means Sociètè Gènèrale .

Arrears Amount means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Purchased Receivables when such Purchased Receivable is a Delinquent Receivable.

Auto Loan means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

Auto Loan Contract means any loan granted by the Seller to any Debtor for the purchase of a Car, including, for avoidance of doubt, 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 Purchased 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 Clause 5.5(iii) of the Servicing Agreement.

Available Distribution Amounts means, on any Payment Date and without double counting, the sum of:

(a) the remaining amount standing to the credit of the Payment Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Collections credited to the Payment Account in respect of the Collection Period immediately preceding such Payment Date;

(c) the income generated by the Eligible Investments made in respect of the Interest Period ending on such Payment Date from the Collection Account;

(d) the interest accrued and credited into the Issuer Accounts (other than the General Reserve Account);

(e) the General Reserve Interest Amount;

(f) any Collection received by the Issuer in relation to the Defaulted Receivables; and

(g) all amounts which were on the preceding Settlement Date standing to the credit of the General Reserve Account and which have been credited on the Payment Account during the Revolving Period or the Amortisation Period or the Accelerated Amortisation Period or the Post-Enforcement Period;

(h) the remaining amount standing to the credit of the Collections Account as of the Issue Date following (i) the payment of the Principal Component Purchase Price of the Initial Receivables (to the extent not subject to set-off with the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Class A Notes and the Class B Notes pursuant to the Master Receivables Transfer Agreement), and (ii) the transfer of the Retention Amount to the Expenses Account.

(i) any other amount received by the Issuer from any of the transaction parties pursuant to the Transaction Documents that is not included under items from (a) to (h) above.

Average Delinquency Ratio means, on any Determination Date, the arithmetic mean of the last three available Delinquency Ratios (including the Delinquency Ratio calculated on that Determination Date).

Back-up Servicer Implementation Event means the failure by each of BPSA, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that (i) as long as one of BPSA, BPF or SCF mantains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred, and (ii) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of BPSA.

Back-up Servicer means the entity which shall be appointed in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event or a Servicer Termination Event, as provided for under the Servicing Agreement.

Back-up 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.

Back-up Servicing Fee means the fee which shall be paid to the Back-up Servicer, if appointed as provided for under the Servicing Agreement, which shall be agreed in accordance with reasonable market practice and shall be paid directly by the Seller.

Balloon Auto Loan Contract means an Auto Loan Contract (including VFG Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in substantially equal monthly instalments and a final larger balloon instalment (the latter, the "**Balloon Instalment**"), namely "*Balloon standard in produzione*" and "*Balloon loyalty in produzione*".

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 68, Avenue Gabriel Péri, 92230 Gennevilliers (France), registered with the Trade and Companies Registry of Paris (France) under number 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

BPSA means Banca PSA Italia S.p.A., *a società per azioni*, incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milan (MI), Italy.

Business Day means a day (other than a Saturday or a Sunday) on which banks settle payments and are open for general business in Milan, Madrid and Paris and which is not a public holiday in Italy, in Spain and in France.

Calculation Agent means the entity appointed from time to time as calculation agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the date hereof, Zenith Service S.p.A..

Calculation Date means the 4th Business Day before each Payment Date.

Cancellation Date means the later of (i) the Legal Final Maturity Date; (ii) the date when the outstanding amount of the Portfolio will have been reduced to zero; and (iii) the date on which (a) the Representative of the Noteholders has given notice to the Issuer and the Noteholders in accordance with Condition 14 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to the Issuer to pay unpaid amounts outstanding under the Transaction Documents, and (b) the Servicer has confirmed the same in writing to the Representative of the Noteholders.

Car Dealer (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Peugeot, Citroën or DS network in Italy, or a car dealer being franchised with the Peugeot or Citroën network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

Car Manufacturer means PSA Peugeot Citroën as manufacturer of Cars.

Car means, as the case may be, a New Car or a Used Car.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager and the Account Banks.

Cash Manager means the entity appointed from time to time as cash manager by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement being, as at the Issue Date, BPSA.

Class A Noteholder means any holder of the Class A Notes from time to time.

Class A Notes means the Euro 554,400,000.00 Class A Asset Backed Fixed Rate Notes which will be issued by the Issuer on the Issue Date.

Class A Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Target Collateral Amount on such Payment Date; (ii) the amount available after application of the Available Distribution Amounts, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Priority of Payments; and (iii) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Priority of Payments).

it being understood, for the avoidance of doubt, that on the General Reserve Final Utilisation Date (if such date falls during the Amortisation Period) the Class A Notes Amortisation Amount will be equal to the Principal Amount Outstanding of the Class A Notes as of such date.

Class A Notes Interest Amount means the Interest Amount due on each Class A Note on each Payment Date.

Class A Notes Interest Rate means 0.60 per cent. per annum .

Class A Notes Subscriber means BPSA, as subscriber of the Class A Notes on the Issue Date.

Class B Noteholder means any holder of the Class B Notes from time to time.

Class B Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Target Collateral Amount on such Payment Date less the Class A Notes Amortisation Amount; (ii) the amount available after application of the Available Distribution Amounts, on such Payment Date, to all items ranking in priority to the repayment of principal on the Class B Notes in accordance with the Priority of Payments; and (iii) the Principal Amount Outstanding of the Class B Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Priority of Payments),

Class B Notes Interest Amount means the Interest Amount due on each Class B Note on each Payment Date.

Class B Notes Interest Rate means 1.20 per cent. per annum.

Class B Notes means the Euro 105,600,000.00 Class B Asset Backed Fixed Rate and Variable Return Notes which will be issued by the Issuer on the Issue Date.

Class B Notes Subscriber means BPSA, as subscriber of the Class B Notes on the Issue Date.

Class, **Class of Notes** or **Class of Noteholders** will be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

Clean Up Option Date has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Clean Up Option has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Collection Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Collection Period means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), provided that the first Collection Period shall be the period comprised between the First Selection Date (excluded) and the First Determination Date (included).

Collections means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) and all recoveries (including any proceeds from the disposal of the financed Car(s) and

any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies) received by the Servicer in relation to the Purchased Receivables, including, for avoidance of doubt, 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 the 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.

Consumer Credit Legislation means the Consumer Code, the provisions regarding consumer credit regulated by Articles 121 to 128 of the Italian Banking Act and all other applicable legal and implementing regulatory provisions applying to consumers.

Contracts Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 1 (*Contracts Eligibility Criteria*) of the Master Receivables Transfer Agreement.

Contractual Documents means the Auto Loan Contracts and any other related documents entered into by the Seller in connection with the Receivables.

Contractual Interest Rate means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Debtor.

Corporate Servicer means any person appointed from time to time as a corporate servicer by the Issuer pursuant to the Corporate Services Agreement.

Corporate Services Agreement means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer relating to the provision of certain corporate administration services to the Issuer.

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).

DBRS means DBRS Ratings Limited and its subsidiaries and any successor thereto.

DBRS Equivalence Chart means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

DBRS Equivalent Rating means:

(a) if a Fitch public rating, a Moody's public rating and a S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower

rating available; or

(b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

provided that, if only one or none of a Fitch public rating, a Moody's public rating and a S&P public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

DBRS Minimum Rating means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating of the lower such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

Decree 239 means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

Decree 239 Withholding means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

Default Ratio means the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Defaulted Amounts, as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Defaulted Amount means the Outstanding Balance of any Purchased Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

Defaulted Receivable means a Receivable in respect of which:

(a) any amount due and payable under the relevant Auto Loan Contract has remained unpaid past its due date for 150 calendar days or more; or

(b) the Servicer, acting in accordance with the Servicing Procedures, has terminated the relevant Auto Loan Contract, written off or made provision against any definitive losses in respect of such Receivable at any time prior to the expiry of the period referred to in (a) above.

Defaulted Receivables Repurchase Price means, in relation to any Defaulted Receivables, a fair market value price (taking into account the defaulted nature of the receivables) as determined by the Servicer 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 the ratio which shall be determined on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Outstanding Balance and the aggregate Arrears Amounts of all Delinquent Receivables as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Delinquent Receivable means any Performing Receivable in respect of which an amount is overdue for strictly less than 150 calendar days.

Demonstration Car means a Peugeot or Citroën car produced at a BPF group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

Determination Date means the last day of each calendar month.

EBA means the European Banking Authority established by Regulation (EU) No. 1093/2010 of the European Parliament and of the Council, amending Decision No. 716/2009/EC and repealing Commission Decision 2009/78/EC.

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 Securitisation Regulation and named "*Guidelines on the STS criteria for non-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 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 of the United States of America which has at least the following ratings:

(a) "A (low)" by DBRS with respect to the higher of (A) a rating one notch below the critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A (low)"; and

(b) "F1" by Fitch with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

Eligible Investment means:

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

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

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

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

(iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer,

provided that, in all cases:

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

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

(c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; provided that in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an

Eligible Institution at no loss; and

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

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

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at 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(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at 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.

Eligible Investments Notice has the meaning given to such term in clause 10.5 (*Records of Eligible Investments by the Cash Manager and the Account Banks*) of the Cash Allocation, Management and Payment Agreement.

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.

Euribor has the meaning ascribed to such term in Condition 5.2 (*Right to Interest – Interest Rate*).

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

Excluded Collection means any amounts payable by any Debtor to the Seller (i) under any maintenance contract on behalf of the relevant maintenance services provider and/or, for the avoidance of doubt, (ii) in relation to any accessory service envisaged under the Auto Loan Contracts which is not a Financed Service.

Excluded Tax means in relation to a person, any Tax assessed on that person under the law of the jurisdiction in which it is incorporated or treated as resident for tax purposes or the office through which it performs its obligations under the relevant agreement is located, in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by it.

Expenses Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

FATCA means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Final Instalment means the last Instalment of an Auto Loan Contract that in relation to the Balloon Auto Loan Contract consists in the Balloon Instalment.

Financed Services means the services for the protection of the Car– i.e. OPTA (Anti-theft, T&F insurance, replacement of the Car) the price of which is included in the relevant Instalment.

Financial Collateral Directive means Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.

First Determination Date means 31 August 2019.

First Payment Date means the Payment Date falling on 23 September 2019.

First Purchase Date means 12 July 2019.

First Selection Date means 8 July 2019.

Fitch means Fitch Ratings Limited and their subsidiaries and any successor thereto.

Foreclosure Proceedings means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

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 Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

General Reserve Advance means the advance made under the General Reserve Subordinated Loan Agreement.

General Reserve Decrease Amount means, on any Payment Date, the positive difference (if any) between the General Reserve Required Amount, as calculated on the Calculation Date preceding the previous Payment Date and the General Reserve Required Amount, as calculated on the Calculation Date preceding such Payment Date.

General Reserve Final Utilisation Date means the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, (ii) the Payment Date on which the aggregate Outstanding Balance of all Performing Receivables is reduced to zero, (iii) the date on which, after the delivery of a Trigger Notice, all the amounts standing to the credit of the General Reserve Account have been used in accordance with the Post-Enforcement Priority of Payments, and (iv) the Legal Final Maturity Date.

General Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments, as communicated to the Calculation Agent by the Cash Manager, purchased from amounts standing to the credit of the General Reserve Account and any interest received on amounts standing to the credit of the General Reserve Account since the last Payment Date.

General Reserve Loan Facility has the meaning ascribed to such term in the General Reserve Subordinated Loan Agreement.

General Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the General Reserve Decrease Amount and (ii) the outstanding of the General Reserve Advance.

General Reserve Replenishment Amount means the amount to be transferred to the General Reserve Account, so that the amount standing to the credit of the General Reserve Account shall be equal to the General Reserve Required amount applicable on that Payment Date.

General Reserve Required Amount means:

(a) on the Issue Date, Euro 6,600,000.00;

(b) on any Calculation Date during the Revolving Period, 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(c) on any Calculation Date during the Amortisation Period and the Accelerated Amortisation Period, the lesser of:

  (i) the General Reserve Required Amount determined on the last Calculation Date of the Revolving Period; and

  (ii) the greater of (x) 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes and (y) an amount equal to Euro 500,000.00;

(d) on the General Reserve Final Utilisation Date, zero.

General Reserve Subordinated Loan Agreement means the general reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the General Reserve

Subordinated Loan Provider.

General Reserve Subordinated Loan Provider means BPSA, as Seller.

Global Portfolio Limits means the global portfolio limits set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 3 (*Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

Guarantor means each person who has granted a related security or which assumed the obligations of a Debtor 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 Interest Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the amount of interest (calculated at the applicable Contractual Interest Rate) accrued and not yet due in respect of each such Receivable as of the Selection Date (included) immediately preceding such Purchase Date.

Individual Principal Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the Outstanding Balance of such Receivable as at the Selection Date (included) immediately preceding such Purchase Date.

Individual Purchase Price means the purchase price of each Purchased Receivable.

Information Date means the date falling no later than 5 (five) Business Days following each Determination Date.

Initial Receivables means the Receivables to be assigned by the Seller to the Issuer on the First Purchase Date and identified in the first Transfer Offer.

Insolvency Event means in relation to a person any of the following:

(a) *Inability to pay debts*: such person:

(i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or

(ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of article 67, paragraph 3 of the Italian Insolvency Act; or

(iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or

(b) *Insolvency proceedings*: such person:

(i) is adjudicated or found insolvent; or

(ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or

(iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (i) or (ii) above.

Insolvency Proceedings means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of- court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

Insolvent means a person which is subject to an Insolvency Event.

Instalment Due Date means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

Instalment means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be made by the Debtor on each date on which such instalment has to be paid under that Auto Loan Contract.

Insurance Company means each of the insurance companies granting an Insurance Policy.

Insurance Policy means any insurance policy entered into by the Debtor in relation to a Purchased Receivable and/or an Auto Loan Contract.

Intercreditor Agreement means the intercreditor agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the other parties to the Transaction Documents.

Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

Interest Component Purchase Price means, in respect of the Initial Receivables, the sum of the Individual Interest Component Purchase Price of each Initial Receivable and in respect of the Additional Receivables, the sum of the Individual Interest Component Purchase Price of each Additional Receivable.

Interest Determination Date has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Interest Period has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*), it being understood that the first Interest Period shall commence on the Issue Date (included) and shall end on the Payment Date falling in September 2019 (excluded).

Interest Rate has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

Investor Report means the report required to be prepared and delivered by the Calculation Agent on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement in the form set out in Schedule 2 (*Form of Investor Report*) of the Cash Allocation, Management and Payment Agreement.

Issue Date means 18 July 2019.

Issuer Accounts means the accounts opened in the name of the Issuer in the context of the Securitisation.

Issuer means Auto ABS Italian Balloon 2019-1 S.r.l., a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Via V. Betteloni, 2, 20131 Milan, Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Milano – Monza Brianza - Lodi with Tax and VAT registration number 10763500963, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under No. 35598.2.

Issuer Indemnified Amounts has the meaning ascribed to such term in clause 9.1 (*Issuer Indemnity*) of the Subscription Agreement.

Issuer Indemnified Party has the meaning ascribed to such term in clause 9.1 (*Issuer Indemnity*) of the Subscription Agreement.

Issuer Secured Creditors means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Banks, the Corporate Servicer, the Subordinated Loan Providers, the Back-up Servicer Facilitator, the Arranger and the Notes Subscriber.

Issuer Security means the Security Interests created or purported to be created under the Spanish Pledge Agreement and any additional Spanish pledge agreement entered into in accordance with the Intercreditor Agreement in favour of the Representative of the Noteholders for the benefit of the Issuer Secured Creditors.

Issuer Tax Event has the meaning ascribed to such term in Condition 6.3 *(Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*).

Italian Account Bank means the entity appointed from time to time as Italian account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, The Bank of New York Mellon SA/NV, Milan Branch.

Italian Banking Act means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

Italian Civil Code means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

Italian Data Protection Authority means the *Garante per la protezione dei dati personali*.

Italian Factoring Law means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

Italian Financial Act means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

Italian Insolvency Act means Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

Italian Privacy Law means the Legislative Decree no. 196 of 30 June 2003 as amended and supplemented from time to time.

Legal Final Maturity Date means the legal final maturity date of the Notes, being the Payment Date falling in September 2034.

Master Receivables Transfer Agreement means the master receivables transfer agreement entered into on or prior to the Issue Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent.

Material Adverse Change has the meaning ascribed to such term in clause 10.1 (*Notes Subscriber's ability to terminate*) of the Subscription Agreement.

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.

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

Monte Titoli means Monte Titoli S.p.A..

Monthly 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 each Information Date in the form set out in Schedule 3 (*Form of Monthly Servicing Report*) of the Servicing Agreement.

Moody's means Moody's Investors Service, Inc..

Most Senior Class of Notes means:

(a) if any Class A Notes are outstanding, the Class A Notes;

(b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes.

New Car means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

Non-Conformity Notice means the notice by which it is communicated that a Receivable is an Affected Receivable.

Non-Conformity Repurchase Date has the meaning ascribed to such term in clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Conformity Rescission Amount means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Permitted Renegotiation means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is not a Permitted Renegotiation.

Non-Permitted Renegotiation Repurchase Date means the date as specified in clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement.

Noteholder means, at any time, the holder of any Note.

Notes means the Class A Notes and the Class B Notes.

Notes Subscriber means the subscriber of the Notes on the Issue Date.

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 clause 4.2 (*Offer of Receivables*) of the Master Receivables Transfer Agreement.

Official Gazette Notice of Assignment has the meaning ascribed to such term in clause 6.2 (*Transfer Formalities* of the Master Receivables Transfer Agreement.

Other Issuer Secured Creditors means the Issuer Secured Creditors other than the Noteholders.

Other Rights has the meaning ascribed to such term in clause 6.3 (*Assignment of the Other Rights and related undertakings by the Seller*) of the Master Receivables Transfer Agreement.

Outstanding Balance means, in respect of a Purchased Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable amortisation schedule of such Purchased Receivable on such date.

Paying Agent means any entity appointed as such from time to time as paying agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement.

Payment Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Payment Business Day means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Milan (Italy), in London (United Kingdom), in Luxembourg or in Paris (France).

Payment Date means, in respect of any principal and/or interest payment in respect of the Notes, the 22nd day of each month or the following Payment Business Day if that day is not a Payment Business Day,

except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Payment Business Day. The first Payment Date will fall in September 2019.

Performing Receivable means any Purchased Receivable which is not a Defaulted Receivable.

Period of Effectiveness means, when utilised under the Servicing Agreement, the period starting on the date of execution of the Servicing Agreement and ending on the Servicer Termination Date.

Permitted Renegotiation means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, provided that the same are made in accordance with and subject to the Servicing Agreement:

(a) 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 authority;

(e) any refinancing of the 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 84 (eighty four) 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 1.5%.

Portfolio means the Purchased Receivables and all other assets and rights related to such Purchased Receivables purported to be transferred, assigned or granted (including for that avoidance of doubt) the Ancillary Rights) to the Issuer pursuant to the Master Receivables Transfer Agreement and any Transfer Agreement.

Portfolio Performance Trigger means any of the following events:

(a) the Average Delinquency Ratio above 5.5%;

(b) the 3m Default Ratio is above 0.35%; and

(c) the occurrence of a Principal Deficiency Shortfall.

Post-Enforcement Period means the period from and including the first Payment Date falling on or after the date on which a Trigger Event Notice has been served and ending on the earlier of:

(a) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(b) the Legal Final Maturity Date.

Post-Enforcement Priority of Payments has the meaning ascribed to such term in Condition 4.3 (*Post-Enforcement 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.

Privacy Authority means the Italian data protection authority (*Autorità Garante della Privacy*).

Principal Amount Outstanding means, in respect of a Note on any date, the principal amount of such Note upon issue, *minus* the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

Principal Component Purchase Price means, in respect of any Receivables, the sum of the Individual Principal Component Purchase Price of each Receivable comprised in such Receivables.

Principal Deficiency Shortfall means the event which occurs when, on a Payment Date during the Revolving Period or the Amortisation Period, the amount paid respectively under item *seventh* or *eighth* of the Priority of Payments during the Revolving Period and the Amortisation Period is lower than the relevant Target Collateral Amount (it being understood that a Principal Deficiency Shortfall is not meant to have occurred on the Payment Date during the Amortisation Period on which the funds available to the Issuer are sufficient to redeem the Class A Notes in full).

Principal Payment has the meaning ascribed to such term in Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory pro rata redemption in whole or in part*).

Priority of Payments has the meaning ascribed to such term in Condition 4.1 *(Priority of Payments during the Revolving Period and the Amortisation Period*).

Private Debtor means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*).

Prospectus means the prospectus which will be issued by the Issuer in the context of the issue of the Notes.

Province means the Italian province where the Debtor is resident or, in the case of a company, has its registered office.

Purchase Date means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

Purchase Price means on any Purchase Date and in respect of each Purchased Receivable, the sum of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price.

Purchased Receivable means a Receivable which has been purchased by the Issuer pursuant to the Master Receivables Transfer Agreement and (a) which remains outstanding and (b) which has not been repurchased by the Seller in accordance with the provisions of the Master Receivables Transfer Agreement and/or the Servicing Agreement.

Quota means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

Quotaholder means the holder of the Quota, being, as at the Issue Date, Special Purpose Entity Management S.r.l.

Quotaholder's Agreement means the quotaholder's agreement entered into on or about the date hereof between the Issuer, the Quotaholder and the Representative of the Noteholders.

Rating Agencies means Fitch and DBRS.

Receivable means all rights and claims of the Seller now existing or arising at any time in the future, under

or in connection with an Auto Loan Contract, including, without limitation:

(a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan Contract (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);

(c) all the relevant Ancillary Rights; and

(d) for the avoidance of doubt, all rights and claims towards the relevant Car Dealer and Car Manufacturer for the payment of the Balloon Instalments upon exercise of the relevant contractual option by the Debtor pursuant to the relevant Auto Loan Contract.

Receivables Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 2 (*Receivables Eligibility Criteria*) of the Master Receivables Transfer Agreement.

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 Technical Standards means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to under paragraph (i) above.

Relevant Minimum Rating means at least two of the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB- by S&P, BB by Fitch and Ba2 by Moody's.

Reporting Entity means the Seller appointed as such under the Intercreditor Agreement pursuant to the Securitisation Regulation.

Representative of the Noteholders means the entity appointed from time to time as representative of the noteholders in the context of the Securitisation.

Repurchase Amount means, in relation to Purchased Receivables to be retransferred by the Issuer to the Seller in the circumstances provided for under clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Purchased Receivables.

Repurchase Determination Date means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under clause 12 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement).

Repurchase Price Interest Component means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

Repurchase Price means, in relation to any Purchased Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

(a) for a Performing Receivable, the sum of:

(i) its Outstanding Balance, as of the relevant Repurchase Determination Date,

(ii) any interest accrued but unpaid as of such Repurchase Determination Date; and

(iii) any due but unpaid balance and other ancillary amounts in respect of such Purchased Receivable as of such Repurchase Determination Date; and

(b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

Repurchase Price Principal Component means, in relation to any Purchased Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

(a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and

(b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and

(c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

Retail Customer means any private customers, all small or medium except:

(a) any car dealers;

(b) any governments, related public entities or local authorities;

(c) banks or investment firms.

Retention Amount means (a) with reference to the Issue Date, an amount equal to Euro 50,000.00 and (b) with reference to each Payment Date, an amount equal to Euro 20,000.00.

Revolving Period means the period from the Issue Date to (but excluding) the earlier of:

(a) the Scheduled Revolving Period End Date;

(b) the date on which an Amortisation Event occurs;

(c) the date on which an Accelerated Amortisation Event occurs; and

(d) the date on which a Trigger Event occurs.

Rules means the rules of the organisation of Noteholders set out in Schedule 1 of the Conditions.

S&P means Standard and Poor's Rating Services, a division of the McGraw Hill Companies.

Sanctioned Person means any person who is a designated target of Sanctions or is otherwise a subject of Sanctions (including without limitation as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organised under the laws of, or a citizen or resident of, any country that is subject to general or country-wide Sanctions).

Sanctions means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following):

(a) the United Nations;

(b) the United States of America; or

(c) the European Union or any present or future member state thereof.

SCF means Santander Consumer Finance S.A., a company incorporated under the laws of Spain as a *sociedad anónima* whose registered office is at Madrid, Avda. de Cantanbría, s/n, Edificio 4 Pinar, 28660 Boadilla del Monte, Madrid y CIF:A-28122570, Spain, quota capital of euro 5.338.638.516, registered at the Central Bank of Spain under number 8.236.

Scheduled Principal Payment means, in relation to each Determination Date and each Collection Period ending on such Determination Date, the scheduled principal payment as of the Instalment Due Date falling during such Collection Period, in accordance with the Amortisation Schedule.

Scheduled Revolving Period End Date means the Business Day immediately following the Payment Date falling in August 2021.

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 website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu), to the Issuer, the Representative of the Noteholders, the Calculation Agent, perspective noteholders, the competent authorities under the Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Banks and the Paying Agent in the form set out out in Schedule 7 (Sec Reg Asset Level Report) of 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 quarterly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the website of the European DataWarehouse (being, as at the date hereof, www.eurodw.eu) in the form set out in Schedule 5 (Sec Reg Investor Report) of the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simulateously with the Sec Reg Asset Level Report.

Sec Reg Report Date means the date falling within one month following the Payment Dates falling on March, June, September and December of each year, provided that the first Sec Reg Reporting Date will fall in October 2019.

Securities Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Securitisation Assets has the meaning ascribed to such term in Condition 2 (*Status, segregation and ranking*).

Securitisation Law means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

Securitisation 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.

Securitisation means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

Security Interest means any mortgage, charge, pledge, lien, encumbrance, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Selection Date means the First Selection Date or any Subsequent Selection Date, as applicable.

Seller means BPSA.

Seller 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 Event of Default means any of the following events:

(a) the Seller fails to make any payment, transfer or deposit when due as provided under the Transaction Documents and such failure remains unremedied for three Business Days;

(b) the Seller fails to perform or observe any term, covenant or agreement contained in the Transaction Documents and such failure, if capable of remedy, is not remedied within five Business Days after receipt by the Seller of a notice by the Issuer or the Representative of the Noteholders specifying such failure;

(c) any of the representations and warranties, certification or statement made by the Seller in any Transaction Document (other than in respect of the compliance of any Purchased Receivables with any Eligibility Criteria, in respect of which clause 11 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement shall apply) proves to be materially (other than to the extent that any representation warranty, certification or statement made by the Seller already contains any materiality qualifier) incorrect when made or deemed to be made and such breach, if capable of remedy, remains unremedied for ten Business Days after the earlier of the Seller (i) having become aware of such breach or (ii) having received notice from any Transaction Party specifying such failure;

(d) any financial indebtedness of BPSA (i) is not paid when due or within any applicable grace period in any agreement, document or instrument relating to that financial indebtedness or (ii) becomes due and payable, as a result of an event of default (howsoever described) which has not been remedied, and the aggregate of all such financial indebtedness in paragraphs (i) and (ii) above exceeds €30,000,000 (or its equivalent from time to time in other currencies);

(e) a Material Adverse Effect in relation to the Seller has occurred and is continuing; and

(f) an Insolvency Event occurs in relation to the Seller.

Seller Indemnified Amounts has the meaning ascribed to such term in clause 9.2 (*Seller Indemnity*) of the Subscription Agreement.

Seller Indemnified Party has the meaning ascribed to such term in clause 9.2 (*Seller Indemnity*) of the Subscription Agreement.

Servicer Collection Account Bank means Intesa Sanpaolo S.p.A..

Servicer Collection Account means the new bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law.

Servicer means the entity appointed from time to time as servicer by the Issuer under the terms of the Servicing Agreement being, as at the Issue Date, BPSA.

Servicer Postal Account has the meaning ascribed to such term in clause 5.2 (*Payment through postal bulletins (bollettini postali)*) of the Servicing Agreement.

Servicer Termination Date means the earlier of (i) the date on which the Notes have been repaid or cancelled in full and (ii) the date on which the cessation of the appointment of the Servicer has become effective in accordance with clause 13 (*Termination of Appointment and Substitution of the Servicer*) of the Servicing Agreement.

Servicer Termination Event means each of the events set out under Schedule 5 (*Servicer Termination Events*) of the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment.

Servicing Agreement means the servicing agreement entered into on the date hereof between the Issuer and the Servicer.

Servicing Fees means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement..

Servicing Procedures means the servicing procedures set out in the Servicing Agreement.

Settlement Date means the date which is one Business Day before a Payment Date.

Significant Event Report means the report required to be delivered pursuant to article 7(1)(f) and 7(1)(g) of the Securitisation Regulation by the Seller pursuant to the Intercreditor Agreement and substantially in the form set out in Schedule 8 (*Significant Event Report*) of the Intercreditor Agreement.

Sole Director has the meaning ascribed to such term in the Corporate Services Agreement.

Solvency II Regulation means Regulation (EU) no. 35/2015 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (as amended, supplemented and/or replaced from time to time).

Spanish Account Bank means the entity appointed from time to time as Spanish account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, Banco Santander, S.A..

Spanish Pledge Agreement means the Spanish pledge agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties.

Specified Event means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

Statutory Auditor has the meaning ascribed to such term in the Corporate Services Agreement.

Stock Exchange means the Luxembourg Stock Exchange.

STS notification means the notification made by the Seller to ESMA in accordance with Article 27 of the Securitisation Regulation

STS-securitisation means a securitisation meeting the requirements under Articles 19 to 22 of the Securitisation Regulation.

STS verification means the assessment by PCS of the compliance of the Securitisation with the requirements set forth under articles 19 to 22 of the Securitisation Regulation.

Subscription Agreement means the subscription agreement relating to the Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Notes Subscriber.

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 4 (four) Business Days after the Information Date.

Successor Servicer has the meaning ascribed to such term in clause 13.4 (*Successor Servicer*) of the Servicing Agreement.

Target2 Business Day means a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.

Target Collateral Amount means on any Payment Date during the Revolving Period and the Amortisation Period the difference between (i) the Principal Amount Outstanding of the Notes as at the immediately preceding Calculation Date, less (ii) the Outstanding Balance of the Performing Receivables as at the immediately preceding Determination Date.

Tax includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

Traceability Law has the meaning ascribed to such term in clause 3.1 (*Appointment and duties of the Servicer*) of the Servicing Agreement.

Transaction Documents means the agreements entered into or which will be entered into in the context of the Securitisation.

Transaction Party means any party to the Transaction Documents.

Transfer Acceptance means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of*

Transfer Acceptance) of the Master Receivables Transfer Agreement.

Transfer Agreement means each transfer agreement entered into between the Seller and the Issuer in connection with the sale of Receivables, comprising the relevant Transfer Offer and the relevant Transfer Acceptance.

Transfer Offer means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 1 (*Form of Transfer Offer*) of the Master Receivables Transfer Agreement.

Trigger Event means any of the events set out under Condition 10 (*Trigger Events*).

Trigger Event Notice means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

Used Car means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.

Variable Return means, in respect of the Class B Notes on any Payment Date:

(a) in case of application of the Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Priority of Payments except item (q) (*seventeenth*); or

(b) in case of application of the Accelerated Amortisation Period Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Accelerated Amortisation Period Priority of Payments except item (o) (*fifteenth*); or

(c) in case of application of the Post-Enforcement Priority of Payments, the amounts available to the Issuer in accordance with Condition 4.3 (*Order of Priority – Post-Enforcement Priority of Payments*) after payment or provision for all items of the Post-Enforcement Priority of Payments except item (n) (*fourteenth*).

VFG Balloon Auto Loan Contract means a Balloon Auto Loan Contract in respect of which the Debtor to whom the Seller has advanced the relevant auto loan has been granted with the option to perform her/his obligation to pay the Balloon Instalment by returning the relevant vehicle in accordance with the relevant provisions of such contract, namely "*Style Drive*", "*i-Move*" and "*Simply Drive*".

Winding-Up means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

GENERAL INFORMATION

1. On the Issue Date, the Issuer will have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, including the authorisation of the Quotaholder.

2. Application has been made to the *Commission de surveillance du secteur financier* (**CSSF**), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC, as amended and supplemented from time to time, including Directive 2010/73/EU and relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Class A Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. The listing of the Class A Notes is expected to be granted on or about the Issue Date.

3. The Class A Notes have been accepted for clearance through Monte Titoli with the following ISIN Code:

	Class A Notes
ISIN Code	IT0005379463

4. The Class B Notes have been accepted for clearance through Monte Titoli and the ISIN Code is IT0005379471.

5. As from 1 April 2019 (being the date of the incorporation of the Issuer), there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer.

6. The Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had since the date of its 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. Save as disclosed in this Prospectus, as at the date of this Prospectus, the Issuer has no outstanding loan capital, borrowings, Indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

8. The information set out in the sections headed "*The Portfolio*", "*The Seller, the Servicer, the Cash Manager, the Class A Notes Subscriber, the Class B Notes Subscriber and the General Reserve Subordinated Loan Provider*" and "*Underwriting and Servicing Procedures*" has been compiled by reference to information provided and/or published by the Seller.

9. The information regarding The Bank of New York Mellon SA/NV, Milan Branch set out in the section headed "*The Italian Account bank and Paying Agent*" has been compiled by reference to information provided and/or published by The Bank of New York Mellon SA/NV, Milan Branch.

10. The estimated annual fees and expenses payable by the Issuer in connection with (i) the transaction described herein amount to approximately Euro 80,000 (VAT excluded), excluding the custody fee (if any) and the Servicing Fees payable in connection with the Eligible Investments and, in

particular, (ii) the admission of the Class A Notes to trading amount to approximately Euro 26,000 (plus VAT, if due), payable on the Issue Date.

11. Copies of this Prospectus, the other Transaction Documents and the following documents will be available, in physical form, for inspection, and in the case of the reports referred to in paragraph (b) below for collection, during usual office hours on any weekday at the principal office of the Corporate Servicer, until the Legal Final Maturity Date:

    (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

    (b) copies of each Investor Report, the first of which will be available no later than the 5th Business Day following the First Payment Date (the Investor Report shall constitute post-issuance transaction information regarding the Notes), and copies of each Sec Reg Investor Report and of each Sec Reg Asset Level Report, to be prepared in accordance to the Transaction Documents.

    The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

    Copies of the Transaction Documents will be available also at the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) at the latest 15 days after the Issue Date. At the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) a copy of the STS Notification will be also available. As indicated in its press release dated 15 November 2018, the website of European DataWarehouse adheres to the standards outlined in the Securitisation Regulation.

    The Prospectus and the other Transaction Documents (i.e. the Master Receivables Transfer Agreement, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the General Reserve Subordinated Loan Agreement, the Subscription Agreement, the Spanish Pledge Agreement and the Quotaholder's Agreement) 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, paragraph 1, of the Securitisation Regulation.

12. Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus as approved by the CSSF.

13. 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. 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. Any foreign language text included within this Prospectus is for convenience purposes only and does not form part of this Prospectus.

16. The Bank of New York Mellon SA/NV, Luxembourg Branch is acting solely in its capacity as listing agent for the Issuer in connection with the Class A Notes and is not itself seeking an admission of the Class A Notes to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg".

17. The credit ratings included or referred to in this Prospectus have been issued by DBRS, Fitch, Moody's or S&P, each of which is established in the European Union and each of which is registered under the CRA Regulation and is included, as of the date of this Prospectus, in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (for the avoidance of doubt, such website does not constitute part of this Prospectus).

18. Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Seller has agreed that BPSA is designated as Reporting Entity, pursuant to and for the purposes of article 7, paragraph 2, of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7, paragraph 1 of the Securitisation Regulation by making available the relevant information through the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

    As to pre-pricing information, BPSA, as initial holder of the Notes, has been, before pricing, in possession of the data relating to each Purchased Receivables (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7, paragraph 1, of the Securitisation Regulation. In addition, BPSA has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22, paragraph 1, of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which precisely represents the contractual relationship between the Purchased Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22, paragraph 3, of the Securitisation Regulation and the EBA Guidelines on STS Criteria. Pre-pricing information required under article 7, paragraph 1, points (b) and (d) of the Securitisation Regulation will be in any case made available by the Seller on the the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu).

19. The Legal Entity Identifier (LEI) code of the Issuer is 815600F4EBB5B75F1D17.

20. 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 Balloon 2019-1 S.r.l.
Via Vittorio Betteloni No. 2
Milan
Italy

SELLER, SERVICER, CLASS A NOTES SUBSCRIBER, CLASS B NOTES SUBSCRIBER, CASH MANAGER AND GENERAL RESERVE SUBORDINATED LOAN PROVIDER

Banca PSA Italia S.p.A.
Via Gallarate No. 199
20151 Milan
Italy

CORPORATE SERVICER, REPRESENTATIVE OF THE NOTEHOLDERS AND CALCULATION AGENT

Zenith Service S.p.A.
Via Vittorio Betteloni No. 2
Milan
Italy

BACK-UP SERVICER FACILITATOR

Santander Consumer Finance S.A.,
Boadilla del Monte
Madrid
Spain

SPANISH ACCOUNT BANK

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria, S/N
28660 Boadilla del Monte (Madrid)
Spain

ITALIAN ACCOUNT BANK AND PAYING AGENT

The Bank of New York Mellon SA/NV, Milan Branch
Via Mike Bongiorno 13,
Milan
Italy

SERVICER COLLECTION ACCOUNT BANK

Intesa Sanpaolo S.p.A.
Piazza San Carlo 156
10121 Turin
Italy

QUOTAHOLDER

Special Purpose Entity Management S.r.l.
Via Vittorio Betteloni,2
20131 Milan
Italy

ARRANGER

Société Générale
29, boulevard Haussmann
75009, Paris France

LEGAL ADVISER TO THE SELLER

Jones Day
Via Turati, 16/18
20121 Milan
Italy

LEGAL ADVISER TO THE ARRANGER

Hogan Lovells Studio Legale
Via Santa Maria alla Porta, 2
20123 Milan
Italy