PROSPECTUS dated 1 July 2019
pursuant to article 2 of Italian Law No. 130 of 30 April 1999

Silver Arrow Merfina 2019-1 S.r.l.

(*incorporated as a limited liability company under the laws of the Republic of Italy*)

EUR 500,000,000 Class A Asset-Backed Floating Rate Notes due 2030

Issue Price: 100 per cent.

EUR 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return Notes due 2030

Issue Price: 100 per cent.

This prospectus (the "**Prospectus**") contains information relating to the issue by Silver Arrow Merfina 2019-1 S.r.l. ("**Silver Arrow Merfina 2019-1**" or the "**Issuer**") of the Euro 500,000,000 Class A Asset-Backed Floating Rate Notes due 2030 (the "**Class A Notes**") and the Euro 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return due 2030 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**").

The Notes will be issued on 3 July 2019 (the "**Issue Date**") in the context of the Securitisation of the Loan Receivables in accordance with Law 130/99. The terms and conditions regulating the Notes (the "**Terms and Conditions**") are set out in the section entitled "*Terms and Conditions of the Notes*".

The Issuer is a vehicle company incorporated under the laws of the Republic of Italy pursuant to Law 130/99 as a limited liability company (*società a responsabilità limitata*), whose registered office is at Via Vittorio Betteloni No. 2, 20131 Milan, Italy, quota capital of Euro 10,000 (fully paid-up), registration with the Companies Register of Milan, Fiscal Code and VAT No. 10705930963, registered with the register of vehicle companies (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the resolution of the Bank of Italy dated 7 June 2017, having as its sole corporate object the carrying out of securitisation transactions pursuant to article 3 of Law 130/99.

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

The principal source of funds available to the Issuer for payment of interest and repayment of principal in respect of the Notes and payment of any Variable Return in respect of the Class B Notes will be the Collections made in respect of the Loan Receivables arising out of the Loan Agreements, being auto loans agreements executed between Mercedes-Benz Financial Services Italia S.p.A. ("**MBFSI**" or the "**Originator**"), as lender, and its customers, as Obligors.

The Loan Receivables were purchased by the Issuer from the Originator on the Purchase Date, being 14 June 2019, pursuant to the Loan Receivables Purchase Agreement. The Purchase Price of the Loan Receivables will be funded by the Issuer through the net subscription price which will be paid in respect of the Notes by the Subscribers on the Issue Date pursuant to the terms of the Subscription Agreements. Certain characteristics of the Portfolio are described in the sections entitled "*Description of the Portfolio*" and "*Portfolio characteristics and historical data*".

By virtue of the operation of article 3 of Law 130/99 and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to Law 130/99). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation in priority to the Issuer's obligations to any other creditors.

Interest on the Notes will accrue on the Outstanding Note Principal Amount of each Note at a rate equal to (i) EURIBOR plus 0.53 per cent. *per annum*, subject to a floor of zero, in the case of the Class A Notes, and (ii) 1 per cent. *per annum*, in the case of the Class B Notes. Interest in respect of the Notes will be payable in respect of each Interest Period in Euro monthly in arrears on the 20th day of each calendar month, subject to the Business Day Convention (each, a "**Payment Date**"), in each case, in accordance with the applicable Priority of Payments. The first Payment Date will be 22 July 2019. In addition, the Class B Noteholders shall be entitled, for each Interest Period, to the payment of the Variable Return (if any) which will payable on each Payment Date, in each case, in accordance with the applicable Priority of Payments. The Notes will mature on the Payment Date falling in October 2030 (the "**Legal Maturity Date**"), unless previously redeemed in full. For more information on the Notes, please see the section entitled *"Terms and Conditions of the Notes*".

The Class A Notes are expected, on the Issue Date, to be rated AA by DBRS and Aa3 by Moody's. The Class B Notes will not be rated.

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

The Securitisation meets the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**").

The compliance of the Securitisation with the STS Requirements has been verified as of the Issue Date by Prime Collateralised Securities (PCS) UK Limited, in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation. No assurance can be provided that the Securitisation described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

The Originator has notified the European Securities and Markets Authority ("**ESMA**") that the Securitisation meets the STS Requirements in accordance with article 27 of the Securitisation Regulation (the "**STS Notification**").

For more information on the compliance of the Securitisation with the compliance with the STS Requirements please see the section entitled "*Compliance with the STS Requirements*".

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).

This Prospectus is issued pursuant to article 2, paragraph 3 of Law 130/99 and constitutes a *prospetto informativo* for all the Notes in accordance with Law 130/99. This Prospectus is a prospectus with regard to Directive 2003/71/EC (the "**Prospectus Directive**"), which will be repealed in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 with effect from 21 July 2019, and the relevant implementing measures in Luxembourg.

This Prospectus has been approved – in relation to the Class A Notes only – by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of Luxembourg in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities dated 10 July 2005 (*loi relative aux Prospectus pour valeurs mobilieres*) and as competent authority under the Prospectus Directive. The CSSF has only approved this Prospectus in relation to the Class A Notes as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive. The CSSF gives no undertakings as to the economic and financial soundness of the Securitisation or the quality or solvency of the Issuer in accordance with the provision of article 7(7) of the Luxembourg Law on prospectuses for securities dated 10 July 2005.

Application has been made to the Luxembourg Stock Exchange for the Class A Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market as of the Issue Date. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive2014/65/EU of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. This Prospectus in connection with the Class A Notes, once approved by the CSSF, will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus constitutes a prospectus under article 8 sub-paragraph 3 of the Luxembourg law on prospectuses for securities of 10 July 2005, as amended on 3 July 2012 implementing the Prospectus Directive in Luxembourg.

The Originator will retain on an ongoing basis a material net economic interest in the Securitisation of not less than 5 per cent., in accordance with article 6 of the Securitisation Regulation. As of the Issue Date, such interest will, in accordance with article 6 paragraph 3, sub (d) of the Securitisation Regulation, be retained through the holding of the Class B Notes and the Subordinated Loan.

The Originator has been designated as "Reporting Entity" pursuant to article 7 of the Securitisation Regulation (the "**Reporting Entity**"). For further details on the information to be disclosed by the Reporting Entity please see the section entitled "*Transparency requirements*".

Each prospective Noteholder 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, MBFSI (in any capacity), the Joint Lead Managers and Joint Bookrunners, the Managers, nor the Arranger, makes any representation that the information described in this Prospectus 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 issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator, the Arranger, the Joint Lead Managers and Joint Bookrunners and the Managers or any of their affiliates or any other party to accomplish such compliance.

For a discussion of certain significant factors affecting investments in the Notes, see the section entitled "*Risk Factors*".

The Arranger

UniCredit Bank AG

The Joint Lead Managers and Joint Bookrunners

Société Générale S.A.

UniCredit Bank AG

The Managers

Crédit Agricole - Corporate & Investment Banking

Landesbank Baden-Württemberg

The Notes will be governed by the laws of the Republic of Italy.

The Notes will be held in dematerialised form on behalf of the beneficial owners as of the relevant Issue Date until redemption or cancellation thereof by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders (as defined below). The expression "**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S. A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Monte Titoli shall act as depository for Clearstream and Euroclear. 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 with Resolution jointly issued by *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy on 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 issued in the denomination of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of any of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Originator, the Servicer, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Calculation Agent, the Swap Counterparty, the Corporate Services Provider or any of their respective affiliates or any other party (other than the Issuer) to the Transaction Documents or any other person or entity.

Neither the Notes nor the underlying Loan Receivables will be insured or guaranteed by any governmental authority or by any of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Originator, the Servicer, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Calculation Agent, the Swap Counterparty, the Corporate Services Provider or any of their respective affiliates or any other party (other than the Issuer) to the Transaction Documents or by any other person or entity.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended and supplemented from time to time (the "**Securities Act**"), or any State securities laws, nor has the Issuer been registered under the United States investment company act of 1940, as amended and supplemented from time to time (the "**Investment Company Act**"). The Issuer has characteristics and features which should allow it not to qualify as a "covered fund" for the purpose of regulations adopted under section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". In this respect, however, please see also paragraph entitled *"Volcker Rule"* (3.19) of the section entitled *"Risk Factors"*.

Class	**Class A Notes**	**Class B Notes**
Initial Aggregate Outstanding Note Principal Amount	EUR 500,000,000	EUR 58,665,000
Interest rate	EURIBOR + 0.53 per cent. *per annum*, subject to a floor of zero	1 per cent. *per annum* plus the Variable Return (if any)
Price	100 per cent.	100 per cent.
Expected ratings		
DBRS / Moody's	AA / Aa3	n/a
Legal Maturity Date	Payment Date falling in October 2030	Payment Date falling in October 2030
ISIN code	IT0005372674	IT0005372682
Common code	200066537	

Each of DBRS and Moody's is established in the European Community and according to the press release from the European Securities Markets Authority ("**ESMA**") dated 31 October 2011, each of such Rating Agencies is registered under CRA Regulation. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

The Rating Agencies' ratings of the Class A Notes address the likelihood that the Class A Noteholders will receive all payments to which they are entitled, as described herein. Each rating takes into consideration mainly the characteristics of the Loan Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal payments and prepayments on such Notes. The ratings do not address the possibility that the Class A Noteholders might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments. In addition, faster than expected repayments on the Loan Receivables may reduce the yield of the Class A Noteholders.

The ratings assigned to the Class A Notes should be evaluated independently against similar ratings of other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time.

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. There can be no assurance as to whether any other rating agency will rate the Class A Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

Certain of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial

instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger, Joint Lead Managers, Joint Bookrunners, Managers and affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Arranger, the Joint Lead Managers, Joint Bookrunners, the Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

This Prospectus constitutes (i) a prospectus under the Prospectus Directive and article 8 subparagraph 3 of the Luxembourg law on Prospectuses for Securities of 10 July 2005 as amended on 3 July 2012 implementing the Prospectus Directive in Luxembourg and (ii) a "prospetto informativo" *pursuant to article 2, paragraph 3 of Law 130/99.*

The Issuer accepts responsibility for the information contained in this Prospectus, other than the information for which each of the Originator, the Servicer, the Subordinated Lender, the Representative of the Noteholders, the Swap Counterparty, the Corporate Services Provider, the Account Bank, the Calculation Agent, and the Paying Agent accepts responsibility, as described in the following paragraphs; *provided that*, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof.

The Issuer has taken all reasonable care to ensure that the information contained in this Prospectus for which accepts responsibility is to the best of its knowledge in accordance with the facts and does not omit anything likely to affect its importance. The Issuer has taken all reasonable care to ensure that such information is true and accurate in all material respects and that there are no other material facts the omission of which would make misleading such information, whether of fact or opinion.

MBFSI accepts responsibility for any information contained in this Prospectus relating to itself, the Loan Receivables, the Loan Collateral, the disclosure of servicing related risk factors, risk factors relating to the Loan Receivables and the information contained in the sections entitled *"Description of the Portfolio"*, "*Portfolio characteristics and historical data*", "*Expected maturity and average life of Notes and assumptions*", "*The Originator, the Servicer and the Subordinated Lender*" and "*Credit and Collection Policy*". To the best knowledge and belief of MBFSI (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

MBFSI, as Originator, accepts also responsibility for any information in this Prospectus relating to the compliance of the Securitisation with the provisions of the Securitisation Regulation and the STS Requirements and, in particular, for any information contained in the sections entitled "*Risk-retention requirements*", "*Transparency requirements*" and "*Compliance with STS requirements*".

Zenith Service accepts responsibility for any information contained in the section entitled *"The Representative of the Noteholders"*. To the best knowledge and belief of Zenith Service (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

CA-CIB accepts responsibility for any information contained in the section entitled *"The Swap Counterparty"*. To the best knowledge and belief of CA-CIB (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Elavon accepts responsibility for any information contained in the section entitled *"The Account Bank, Calculation Agent and Paying Agent"*. To the best knowledge and belief of Elavon (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Joint Lead Managers and Joint Bookrunners and the Managers has undertaken or will undertake any investigation, searches or other actions to verify the details of the Loan Receivables sold by the Originator to the Issuer, nor has any of the Joint Lead Managers and

Joint Bookrunners and the Managers undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Obligor.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Originator, the Servicer, the Account Bank, the Swap Counterparty, the Corporate Services Provider, the Paying Agent, the Calculation Agent, the Representative of the Noteholders, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers or any other party mentioned herein.

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to MBFSI since the date of this Prospectus or the balance sheet date of the most recent financial statements of the Issuer or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Notes may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes), will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Originator, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, any of their affiliates or any other party to accomplish such compliance.

The Notes have not been, and will not be, registered under the Securities Act. Accordingly, the Notes may be offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be issued in bearer form and are subject to certain United States tax law requirements.

No action has been taken by the Issuer or the Originator or the Arranger or the Joint Lead Managers and Joint Bookrunners the Managers or any of their affiliates that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any information memorandum, offering circular, form of application, advertisement or

other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations.

This Prospectus may only be used for the purposes for which it has been published. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) may come, are required by the Issuer, the Originator, the Arranger, the Joint Lead Managers and Joint Bookrunners and the Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof), see the section entitled "*Subscription and Sale*".

PRIIPs / EEA Retail Investors

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

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

Solely for the purposes of each manufacturer's product approval process under MiFID II, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined under MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (any such person being a distributor) should take into consideration the manufacturers' target market assessment; however, any such person, being 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.

Benchmark Regulation (Regulation (EU) 2016/1011)

Amounts payable in relation to the Class A Notes which bear a floating interest rate will be calculated by reference to the EURIBOR. As at the date of this Prospectus, the administrator of the EURIBOR is not included on the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of Regulation (EU) 2016/1011. As far as the Issuer is aware, the transitional provisions in article 51 of Regulation (EU) 2016/1011 apply, such that the administrator of the EURIBOR is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

In connection with the issue of the Class A Notes, UniCredit Bank AG as stabilisation manager (the "Stabilisation Manager") (or persons acting on behalf of the Stabilisation

Manager) may over-allot or effect transactions with a view to supporting the market price of such Class A Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time on or after the date on which adequate public disclosure of the terms of the offer of the Class A Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the Issue date of the relevant Class A Notes and sixty (60) days after the date of the allotment of the Class A Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on its behalf) in accordance with all applicable laws and rules.

If you are in any doubt about the contents of this document you should consult, as appropriate, your legal adviser, stockbroker, bank manager, accountant or other financial adviser.

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, the yield and the income deriving from them may increase as well as decrease.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "EUR" and "Euro" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001, as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007)).

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

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RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents and reach their own views prior to making any investment decision.

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. Certain 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 and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. 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.

In addition, whilst the various structural elements described in this Prospectus are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Noteholders of any Class receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

Although the various risks discussed in this Prospectus are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased as there are many circumstances in which layering of multiple risks with respect to the Portfolio and the Notes may magnify the effect of those risks.

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.

1. THE ISSUER

1.1 Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Obligors. The Issuer is also subject to the risk of default in payments by the Obligors, and the failure of the Servicer to collect and recover sufficient funds in respect of the Portfolio in order to enable the Issuer to discharge all the amounts payable under the Notes.

In respect of the Class A Notes, these risks are mitigated by the liquidity and credit support provided by (a) the subordination of the Class B Notes and (b) the funds of the General Reserve Account.

For further details, please see paragraph entitled "*Subordination of the Notes*" of this section entitled "*Risk Factors*".

There can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Class B Notes and the funds of the General Reserve Account will be adequate to ensure punctual and full receipt of amounts due under the Class A Notes.

The performance by the Issuer of its obligations, in respect of the Notes, is dependent on

the solvency of the Servicer (or any permitted successors or assignees appointed in such capacity), as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

It is not certain that the Servicer will duly perform at all times its obligations under the Servicing Agreement and that a suitable alternative Servicer would be available to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated.

In this respect it has to be noted that under the Intercreditor Agreement, the Calculation Agent has agreed that, upon the occurrence of a Servicer Termination Event, it will facilitate the appointment of a suitable entity available to act as Successor Servicer, in accordance with the terms provided thereunder.

In some circumstances (including after service of an Enforcement Notice), the Issuer could attempt, or be required, to sell the Portfolio, but there is no assurance that the amount received in respect of such sale would be sufficient to pay interest and repay the principal of the Notes in full.

1.2 Issuer's ability to meet its obligations under the Notes

As of the Issue Date, the Issuer will not have any significant assets other than the Portfolio and the other Issuer's Rights. The ability of the Issuer to meet its obligations in respect of the Notes will be also dependent on the extent of Collections and Recovery Collections which will be received from the Portfolio and any other amounts which will be paid to the Issuer pursuant to the terms of the Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Legal Maturity Date, upon redemption by acceleration of maturity following the delivery of an Enforcement Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest and repay the principal of the Notes in full.

If there are not sufficient funds available to the Issuer to pay interest and repay the principal of the Notes in full, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of an Enforcement Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights under the Transaction Documents.

1.3 No independent investigation in relation to the Portfolio

None of the Issuer, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Representative of the Noteholders or any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolio or assess the creditworthiness of any Obligor, nor has any such party carried out, nor will any of them carry out any due diligence in respect of the Loan Agreements.

The Issuer will rely instead on the Originator Loan Warranties and the Eligibility Criteria relating to the Loan Receivables. Particularly, should it appear after the Purchase Date that, in respect of any Loan Receivable, any of the Eligibility Criteria was not satisfied as of the Cut-Off Date or any of the Originator Loan Warranties prove to be false, incomplete, inaccurate or incorrect in any material respect as of the Purchase Date, then any such Loan Receivables will be capable of being retransferred by the Issuer to the Originator pursuant to the Put Option. However, there can be no assurance that the Originator will

have the financial resources to honour such obligations.

For further details, please see section entitled "*Summary of the Transaction Documents*".

1.4 Statutory segregation of securitised receivables

Under the terms of article 3 of Law 130/99, the receivables relating to each securitisation transaction are, by operation of law, segregated for all purposes from all other assets of the vehicle company, being the company that purchases the securitised receivables or, if different, the one that issues the asset-backed notes (i.e. the Issuer).

On a winding up of the vehicle company, such receivables will only be available to the relevant noteholders and to certain creditors claiming payment of debts incurred by such vehicle company in connection with the securitisation of the relevant receivables. The receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the vehicle company. In addition, such receivables may be seized or attached only by the relevant noteholders.

The aforementioned segregation principle has been extended in 2014 by certain provisions which have been introduced in Law 130/99 by Decree No. 145 and Decree No. 91. Such new provisions have established that the assets which are subject to the statutory segregation include all the receivables relating to each securitisation transaction, being not only the receivables against the assigned debtors (i.e. the Loan Receivables), which were already contemplated by the original version of Law 130/99, but also any claim accrued by the vehicle company in the context of the relevant securitisation, the relevant collections and the financial assets purchased through such collections.

Moreover, Decree No. 145 and Decree No. 91 have extended the statutory segregation regime also with a view to cover the transaction's bank accounts in order to protect the cash-flows of the securitisation from the risk of insolvency of the account bank and of the servicer.

For further details, please see the section entitled "*Selected aspects of Italian Law – Law 130/99*".

Prospective Noteholders should be aware that, as at the date of this Prospectus, these new provisions of Law 130/99 introduced by Decree No. 145 and Decree No. 91 have not been tested in any case law, nor specified in any further regulation and could be in conflict with the provision relating to the bail-in and the other resolution tools recently implemented in Italy.

It should be also noted that: (i) the Issuer has open and will keep separate accounts in relation to each securitisation transaction; (ii) the Servicer shall be able to individuate at any time the funds and the transactions relating to the Securitisation and shall keep appropriate information and accounting systems to this purpose. Moreover the parties to the Transaction Documents have undertaken not to credit to the Issuer Accounts amounts other than in accordance with the terms of the Cash Allocation, Management and Payments Agreement.

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

The corporate purpose of the Issuer as contained in its By-laws (*statuto*) is limited and the Issuer has also agreed to certain covenants in the Terms and Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transaction that is not contemplated in the Transaction Documents.

1.5 Limited enforcement rights

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders. The Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Noteholders the power to resolve on the ability of any Noteholder to commence any such individual actions.

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

1.6 Servicing of the Portfolio and potential conflicts of interest

Pursuant to the Servicing Agreement, the Servicer will service the Portfolio. The net cash flows deriving from the Portfolio may be affected by decisions made, actions taken and the collection procedures adopted by the Servicer (or any permitted successors or assignees) pursuant to the provisions of the Servicing Agreement.

In order to mitigate the servicing risk in respect of the Portfolio, under the Intercreditor Agreement, the Calculation Agent has agreed that, upon the occurrence of a Servicer Termination Event, it will facilitate the appointment of a suitable entity available to act as Successor Servicer, in accordance with the terms provided thereunder.

However it is not certain that, in case of termination of the appointment of the Servicer under the Servicing Agreement, the Calculation Agent will be able to or will fulfil its obligations to facilitate the appointment of a Successor Servicer.

1.7 Certain material interests

Any of the Joint Lead Managers, the Joint Bookrunners and the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Originator and MBFSI and its affiliates in their ordinary course of business. Certain parties involved in the Securitisation perform multiple roles under the Transaction Documents. MBFSI is, in addition to being the Originator, also the Servicer, the Subordinated Lender and the Junior Notes Subscriber. Zenith Service will act under the Securitisation as Representative of the Noteholders and Corporate Services Provider. Elavon will perform the transaction roles of Account Bank, Paying Agent and Calculation Agent. These parties will have only those duties and responsibilities expressly agreed by them in the Transaction Documents and will not, by virtue of their, or any of their affiliates, acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided for by the Transaction Documents to which they are a party. Accordingly, conflicts of interest may exist or may arise as a result of parties to the Securitisation: (a) having previously engaged or in the future engaging in transactions with other parties to the Securitisation; (b) having multiple roles in the Securitisation; and/or (c) carrying out other transactions for third parties. The Originator in particular may hold and/or service claims against the Obligors other than the Loan Receivables. The interests or obligations of the aforementioned parties, in their

respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. In addition, MBFSI in its capacity as Junior Noteholder, may exercise its voting rights subject to the exceptions described under the Rules in respect of the Notes held by it also in a manner that may be prejudicial to other Noteholders.

1.8 Further securitisations

The Issuer may carry out Further Securitisations in addition to the Securitisation described in this Prospectus, *provided that* the Representative of the Noteholders is satisfied that the conditions set out in the Terms and Conditions (*Condition 5.2 (Covenants – Further Securitisations and corporate existence*)) are fully satisfied.

Pursuant to article 3 of Law 130/99, the receivables relating to each securitisation transaction (i) are, by operation of law, segregated for all purposes from all other assets of the vehicle company (i.e. the Issuer); (ii) may be seized or attached only by the relevant noteholders; and (iii) will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the vehicle company. For further details, see the preceding paragraph entitled *"Statutory segregation of securitised receivables"* of this section entitled *"Risk Factors"*.

2. THE NOTES

2.1 Liability under the Notes

The Notes will be direct, secured and limited recourse obligations solely of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Paying Agent, the Account Bank, the Calculation Agent, the Arranger, the Joint Lead Managers, the Joint Bookrunners and the Managers or any other third person or entity other than the Issuer. Furthermore, no person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

2.2 Subordination of the Notes

In respect of the obligation of the Issuer to pay interest and repay principal in respect of the Notes and pay any Variable Return in respect of the Class B Notes, both prior to and after the service of a Enforcement Notice, subject to the applicable Priority of Payments:

(A) the Class A Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class B Notes; and

(B) the Class B Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Class A Notes.

2.3 Ratings of the Class A Notes

The ratings assigned to the Class A Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Class A Notes and the underlying Loan Receivables, the credit quality of such receivables, the extent to which the Obligors' payments thereunder are adequate to make the payments required under the Class A Notes, as well as other relevant features of the structure of the Securitisation, including the credit situation of certain parties involved in the Securitisation. The Rating Agencies' ratings reflect only the view of such Rating Agencies. Each rating assigned to the Class A Notes addresses the likelihood of full and timely payment to the holders of the Class A

Notes of all payments of interest on such notes when due and the ultimate repayment of principal on the Legal Maturity Date of the Class A Notes.

It is not certain whether the Loan Receivables and/or the Class A Notes will perform as expected or whether the ratings assigned to them will be reduced, withdrawn or qualified in the future as a result of a change of circumstances, deterioration in the performance of the Loan Receivables, errors in analysis or otherwise. None of the Issuer, the Originator, the Servicer, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscriber, the Representative of the Noteholders or any other party to the Transaction Documents (or its affiliates) will be obliged to replace or supplement any credit enhancement or to take other action to maintain the ratings of the Class A Notes.

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

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

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

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

(iii) 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 changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of the Class A Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Class A Notes.

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

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under Regulation (EU) 462/2013. As of the date of this Prospectus, all the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EU) 462/2013.

2.4 Yield and payment considerations

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Loan Receivables (including prepayments under the Loan Agreements) and on the actual date (if any) of exercise of the clean-up call pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Clean-Up Call*).

The yield to maturity of the Notes may be affected by a higher than anticipated prepayment rate under the Loan Receivables. Such rate cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing and local and regional economic conditions and recently enacted legislation which simplifies the refinancing of loans and possible future legislations enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments that will occur under the Portfolio.

2.5 Projections, forecasts and estimates

Estimates of the weighted average life of the Class A Notes and the Class B Notes included herein, together with any other projections, forecasts and estimates contained in this Prospectus are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results may vary from the projections, and the variations may be material. The potential Noteholders are cautioned not to place undue reliance on these forward-looking statements, as they speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

2.6 Interest rate risk

Interest payable on the Class A Notes is calculated on a EURIBOR-basis. Amounts of interest payable by the Obligors under the Loan Agreements in respect of the Loan Receivables are calculated on the basis of fixed rates. In order to mitigate a mismatch of amounts of interest paid under the Loan Agreements and amounts of interest due under the Class A Notes the Issuer has entered into the Swap Agreement based on the ISDA 2002 Master Agreement (as amended and complemented to reflect the specific requirements of the Securitisation) with the Swap Counterparty according to which the Issuer will make payments to the Swap Counterparty by reference to a certain fixed interest rate and the Swap Counterparty will make payments to the Issuer by reference to a rate based on a EURIBOR-basis.

If the Swap Counterparty defaults in respect of its payment obligations under the Swap, the Issuer may not have sufficient funds to meet its obligations to pay interest on the floating rate of the Class A Notes.

If a default by the Swap Counterparty under the Swap Agreement results in the termination of the Swap Agreement, the Issuer will be obliged to enter into a replacement interest rate hedging arrangement with another appropriately rated entity. A failure or inability to (timely) enter into such a replacement arrangement may result in a downgrading of the rating of the Class A Notes. Further, such failure or inability may expose the Noteholders to the risk that the Issuer will not be able to pay interest on the Class A Notes in full.

The Swap Counterparty is obliged to grant certain collateral to the Issuer as security for its payment obligations under and in accordance with the Swap Agreement if certain rating triggers with respect to the Swap Counterparty are breached.

2.7 Flip clause

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of a swap counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by the swap

counterparty (a so-called "flip clause") has been challenged in the English and U.S. courts. The hearings have arisen due to the insolvency of a swap counterparty and have considered whether the payment priorities breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to the noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. In England, the Court of Appeal in Perpetual Trustee Company Limited & Anor v BNY Corporate Trustee Services Limited & Ors [2009] EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions.

The Supreme Court of the United Kingdom in Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc. [2011] UK SC 38 unanimously upheld the decision of the Court of Appeal in dismissing this argument and upholding the validity of similar priorities of payment, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have as its predominant purpose, or one of its main purposes the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions. However, the leading judgments delivered in the Supreme Court referred to the difficulties in establishing the outer limits of the anti-deprivation principle.

While the ruling of the U.S. Bankruptcy Court for the Southern District of New York on this issue was once directly at odds with the judgment of the English Courts, that court distinguished its prior decisions in a recent June 2016 opinion, Lehman Brothers Special Financing Inc. v Bank of America National Association, et al. (No. 10-03547 (SCC)) (In re Lehman Bros. Holdings, Inc.). In that case, the court found, among other things, that provisions in a swap agreement that established the priority of distributions to a swap participant at the time an early termination occurred resulting from the filing of a bankruptcy case, were not prohibited ipso facto clauses under the U.S. Bankruptcy Code and were enforceable against the debtor. In contrast, in the court's prior decisions, the priorities at issue there were established at the time the swaps were entered into and then later reversed as a result of an early termination caused by the filing of a bankruptcy case. Therefore, the court held in those cases that such provisions were prohibited ipso facto clauses. Consistent with its prior rulings, the court also ruled in its June 2016 decision that certain other transactions at issue in that case involving the reversing of pre-determined priorities resulting from the filing of a bankruptcy case also violated the ipso facto prohibitions under the U.S. Bankruptcy Code.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may adversely affect the Issuer's ability to make payments on the Notes and/or the market value of the Notes and result in negative rating pressure in respect of the Class A Notes. If any rating assigned to the Class A Notes is lowered, the market value of such Class A Notes may reduce.

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

rights of the Noteholders, the market value of the Class A Notes and/or the ability of the Issuer to satisfy all or any of its obligations under the Class A Notes.

2.8 EU reform of "benchmarks" (including LIBOR, EURIBOR and other interest rate index and equity, commodity and foreign exchange rate indices)

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" ("**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any notes linked to a Benchmark, such as the Class A Notes given that they are linked to the EURIBOR.

Key international reforms of Benchmarks include IOSCO's proposed Principles for Financial Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of Benchmarks and (ii) ban the use of Benchmarks of unauthorised administrators. The Benchmarks Regulation entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for "critical" benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016. The scope of the Benchmarks Regulation is wide and, in addition to applying to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed notes linked to an index based on a Benchmark, including in any of the following circumstances: (i) an index which is a Benchmark may not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the relevant applicable terms, the notes could be delisted (if listed), adjusted, redeemed or otherwise impacted; (ii) the methodology or other terms of the Benchmark related to a series of notes could be

changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmark or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the relevant notes, including the relevant calculation agents' determination of the rate or level in its discretion.

Any of the international, national or other reforms (or proposals for reform) or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

As at the date of this Prospectus, it is not possible to ascertain (i) what the impact of the above-mentioned reforms regarding Benchmarks will be on the determination of EURIBOR in the future, which could adversely affect the value of the Class A Notes, (ii) if such reforms may affect the determination of EURIBOR for the purposes of the Class A Notes and the Swap Agreement, (iii) whether such reforms will result in a sudden or prolonged increase or decrease in EURIBOR rates or (iv) whether such reforms will have an adverse impact on the liquidity or the market value of the Class A Notes and the payment of interest thereunder.

Furthermore, pursuant to the Terms and Conditions in certain circumstances, EURIBOR may be amended if an Alternative Base Rate is determined in accordance with Condition 7.4.2 to 7.4.4 and a Base Rate Modification takes effect. In this respect, please see the section entitled "*Terms and Conditions of the Notes*". Should a Base Rate Modification take effect, this could negatively affect the yield and the market value of the Class A Notes.

2.9 Suitability

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

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 in the Notes should make their own independent decision whether to invest in the Notes and whether an investment in such 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 in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originator, the Servicer, the Joint Lead Managers and Joint Bookrunners, the Managers, the Class A Notes Subscriber or any other persons investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Terms and Conditions shall not be considered

to be investment advice or a recommendation to invest in the Notes.

No communication (written or oral) received from the Issuer, the Originator, the Servicer, the Joint Lead Managers and Joint Bookrunners and the Managers, or any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

2.10 Absence of secondary market and limited liquidity

There can be no assurance that there is an active and liquid secondary market for the Notes. The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Although an application has been made to the Luxembourg Stock Exchange for the Class A Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Class A Notes will develop or, if a secondary market does develop in respect of any of the Class A Notes that it will provide the Class A Noteholders with the liquidity of investments or that it will continue until the final redemption or cancellation of such Class A Notes. In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of the Notes by the Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Over the past several years, major disruptions in the global financial markets caused from time to time a significant reduction in liquidity in the secondary market for asset-backed securities. Volatility remains due to several factors, including the uncertainty surrounding the consequences of the Brexit Vote (as defined in paragraph 3.18 below) and the level and sustainability of the sovereign debt of several European countries. Also in the future events may occur that could have an adverse effect on the liquidity of the secondary market. Limited liquidity in the secondary market may have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

2.11 Class A Notes as eligible collateral for ECB liquidity and/or open market transactions

After the Issue Date an application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral, within the meaning of the ECB Guidelines, for liquidity and/or open market transactions carried out with the ECB. In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the ECB nor such central banks will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank. None of the Issuer, the Originator, the Servicer, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscriber, the Representative of the Noteholders or any

other party to the Transaction Documents gives any representation or warranty as to the compliance of the Class A Notes with the eligibility criteria set out for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.

2.12 The Representative of the Noteholders and conflicts of interests between holders of different Classes of Notes and between Other Issuer Creditors

The Terms and Conditions and the Intercreditor Agreement contain provisions establishing that the Representative of the Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion, have regard to the interests of all Classes of Noteholders and the Other Issuer Creditors *provided that* if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) if there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Priority of Payments for the payment of the amounts therein specified.

2.13 Change of law

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

2.14 Source of Payments to Noteholders

The Notes will be limited recourse obligations solely of the Issuer. The principal source of funds available to the Issuer for payment of interest and repayment of principal in respect of the Notes and payment of any Variable Return in respect of the Class B Notes will be the Collections and the Recovery Collections made in respect of the Loan Receivables. The Issuer will not as at the Issue Date have any significant assets, for the purpose of meeting its obligations under the Securitisation, other than the Loan Receivables, any amounts and/or securities standing to the credit of the Issuer Accounts and its rights under the Transaction Documents to which it is a party. Consequently, there is a risk that, over the life of the Notes or at the redemption date of the Notes (whether on the Legal Maturity Date, upon redemption by acceleration of maturity following the service of an Enforcement Notice or otherwise), the funds available to the Issuer may be insufficient to pay interest on the Notes or to repay the Notes in full.

2.15 Value of the Financed Vehicles

Currently, Daimler AG and its subsidiaries ("**Daimler**") are subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, securities, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions. Several federal and state authorities and other institutions worldwide have inquired about and/or are conducting investigations and/or proceedings, and/or have issued administrative orders. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental,

securities, criminal and antitrust laws. These authorities include, amongst others, the U.S. Department of Justice ("**DOJ**"), which has requested that Daimler conduct an internal investigation, the U.S. Environmental Protection Agency ("**EPA**"), the California Air Resources Board ("**CARB**") and other US state authorities, the U.S. Securities and Exchange Commission ("**SEC**"), the European Commission, the German Federal Cartel Office ("**Bundeskartellamt**"), as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Financial Supervisory Authority ("**BaFin**"), the German Federal Ministry of Transport and Digital Infrastructure ("**BMVI**") and the German Federal Motor Transport Authority ("**KBA**"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission, in April 2019, has sent a statement of objections to Daimler and other automobile manufacturers. In this context, some time ago Daimler has filed a leniency application with the European Commission. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against Daimler AG with respect to an administrative offense in this regard.

Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued, such as subpoenas, i.e. legal instructions issued under penalty of law in the process of taking evidence, or other requests for documentation, testimony or other information, further search warrants, a notice of violation or an increased formalization of the governmental investigations, coordination or proceedings, including the resolution of proceedings by way of a settlement. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

In the second and third quarter of 2018 as well as in June 2019, KBA issued administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz Diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EU type approvals in this respect, including a stop of the first registration and mandatory recall. Daimler filed timely objections against the administrative orders issued in 2018 and intends to file an objection against the June 2019 administrative order in order to have the open legal issues resolved, if necessary by a court of law. In the course of its regular market supervision, KBA routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about technical elements of the vehicles. It cannot be ruled out that in the course of the ongoing and/or further investigations KBA will issue additional administrative orders alleging the use of a defeat device. Daimler has (in view of KBA's interpretation of the law, as a precaution) implemented a temporary delivery and registration stop with respect to certain models and reviews constantly whether it can lift this delivery and registration stop in whole or in part. The new calibrations requested by KBA in its administrative orders are being processed and the relevant software has been partly approved by KBA; the related recalls have in the meantime been initiated. It cannot be ruled out that further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure under the relevant circumstances. Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions.

In January 2019, another vehicle manufacturer reached civil settlements with US and state authorities, as well as with vehicle customers. Although the manufacturer did not admit liability, the authorities maintain the position that the manufacturer included undisclosed Auxiliary Emission Control Devices (AECDs) in its diesel vehicles, apparently including functionalities that are common in diesel vehicles, and that certain of these AECDs are to be perceived as illegal defeat devices. As part of these settlements, the

manufacturer will, among other things, pay civil penalties, undertake a recall of affected vehicles, provide extended warranties, undertake a nationwide mitigation project and make other payments. The manufacturer will furthermore provide payments to current and former diesel vehicle owners as part of a class action settlement. In light of these matters and in light of the ongoing governmental information requests, inquiries, investigations, administrative orders and proceedings, as well as Daimler's own internal investigations and the technical Compliance Management System (tCMS), which is and continues to be implemented to address the specific risks associated with the product development process throughout the group and is designed particularly to also provide guidance – taking into account technical and legal aspects – with regard to the complex interpretation of regulations, it cannot be ruled out that authorities will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the group have impermissible functionalities and/ or calibrations and/or that certain functionalities and/or calibrations were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running change, field fix and defect reporting as well as other compliance issues. The inquiries, investigations, legal actions and proceedings as well as the replies to the governmental information requests, the objection proceedings against KBA's administrative orders and Daimler's internal investigations are still ongoing and open; hence, Daimler cannot predict the outcome at this time.

If these or other information requests, inquiries, investigations, administrative orders and proceedings result in unfavorable findings, an unfavorable outcome or otherwise develop unfavorably, Daimler could be subject to significant monetary penalties, fines, disgorgement of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions, including further investigations and/or administrative orders by these or other authorities and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such determinations or findings, even if such determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative determination or finding in one proceeding carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits. In addition, Daimler's ability to defend itself in proceedings could be impaired by unfavorable findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.

In Germany, among others, a multitude of lawsuits by customers alleging violations of warranty and tort laws are pending. Daimler regards these lawsuits as being without merit and will defend against the claims.

At the date of this Prospectus, there are no indications that recent developments will have a material negative impact on payments on the Loan Receivables, but there can be no assurance that the inquiries, investigations, legal actions, proceedings and orders mentioned above and any future disclosure or settlement by or with respect to Daimler AG and its subsidiaries will not adversely affect the businesses of Daimler AG and its subsidiaries or ultimately the Loan Receivables and/or the Issuer's ability to make payments under the Notes.

2.16 Limited Recourse Nature of the Notes

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes, and in respect of any

Variable Return with respect to the Class B Notes, only if and to the extent that the Issuer has sufficient Available Distribution Amount to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Available Distribution Amount to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of an Enforcement Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

3. GENERAL RISKS

3.1 Rights of set-off of the Obligors

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

Certain new provisions of Law 130/99 introduced by Decree No.145 and Decree No. 91 have expressly dealt with the risk of the exercise of any set-off rights by the assigned debtors of the receivables. More specifically, it has been provided that, with effect from the date of the perfection of the sale of the receivables (either by way of publication of a notice of sale in the Official Gazette or payment of the purchase price as the case may be), in derogation of any other provision of law, the assigned debtors (i.e. the Obligors) are not entitled to exercise the set-off between the securitised receivables (i.e. the Loan Receivables) and their claims against the assignor (i.e. MBFSI) arising after such date (for further details see the sections entitled "*Summary of the Transaction Documents – Loan Receivables Purchase Agreement*" and "*Selected Aspects of Italian Law*"). However, in respect of the risk of set-off by any Obligors qualifying as a "consumer", please see also paragraph (b)(v) of the following section 3.2 (*Italian consumer protection legislation*).

3.2 Italian consumer protection legislation

The Portfolio comprises also Loan Receivables deriving from Loan Agreements qualifying as consumer loans, i.e. loans extended to individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities.

In Italy, consumer loans are regulated by, *inter alia*: (a) articles 121 to 126 of the Consolidated Banking Act and (b) regulation of the Bank of Italy dated 29 July 2009, entitled *"Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti"* (as amended from time to time, the "**Transparency Regulation**"). Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by *sub-section* 1 of article 122 of the Consolidated Banking Act, such levels being currently set at € 75,000 and € 200, respectively.

The following risks, *inter alia*, could arise in relation to a consumer loan contract:

(a) pursuant to sub-sections 1 and 2 of article 125-*quinquies* of the Consolidated 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* (i) they have previously and unsuccessfully made the *costituzione in mora* of the supplier and (ii) 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 sub-section 4 of article 125-*quinquies* of the Consolidated Banking Act, borrowers are entitled to exercise against the

assignee of any lender under such consumer loan contracts any of the defences mentioned under sub-sections 1 to 3 of the same article, which they had against the original lender;

(b) pursuant to sub-section 1 of article 125-*sexies* of the Consolidated Banking Act, borrowers under consumer loan contracts have the right to prepay any consumer loan without penalty and with the additional right to a *pro rata* reduction in the aggregate costs and interests of the loan. It should, however, be noted that, in the event of prepayment by the borrower, the lender, under certain circumstances, is entitled to a compensation equal to 1% of the prepaid amount of the consumer loan if the residual duration of the consumer loan is longer than one year, and equal to 0.5% of the same amount, if shorter; in any case, no prepayment penalty shall be due:

(i) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or

(ii) in the case of overdraft facilities; or

(iii) if the repayment falls within a period for which the borrowing rate is not a fixed rate; or

(iv) the prepaid sum is equal to the total outstanding amount of the relevant consumer loan and is equal or less than € 10,000;

(v) pursuant to sub-section 1 of article 125-*septies* of the Consolidated Banking Act, debtors are entitled to exercise, against the assignee of a 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 notified thereof). It is debated whether sub-section 1 of article 125-*septies* of the Consolidated 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 Law 130/99 (as recently amended by Decree No. 145) provides certain limitation to the rights of set-off of by the assigned debtors of the securitised receivables (for further details, see the preceding section 3.1 (*Rights of set-off of the Obligors*)). However, it is not certain whether in connection with a court proceeding such limitations would prevail or not in respect of article 125-*septies* of the Consolidated Banking Act.

(vi) pursuant to sub-section 2 of article 125-*septies* of the Consolidated 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, the Transparency Regulation provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Consolidated Banking Act with respect to the assignment of claims to be carried out in accordance with article 58 of the Consolidated Banking Act and article 4 of Law 130/99 with respect to the securitisation transaction of claims. Prior notice of the purchase of the Loan Receivables under the Loan Receivables Purchase Agreement was not, and will not be, given to the Obligors as the Originator will continue to service the relevant Loan Receivables and the Obligors' payment procedure will not be subject to change. Since no individual notice of the assignment of the Loan

Receivables to the Issuer is being given there is a risk that Obligors who qualify as a "consumer" pursuant to the Consolidated Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Loan Receivables qualifying as "consumer loans" extended to them that the assignment of the Loan Receivables cannot be enforced against them if the Originator does not continue to service the relevant Loan Receivables and the Obligors' payment procedure are subject to change, until they receive formal notice of the assignment.

The Loans, granted to Obligors qualifying as a "consumer" pursuant to the Consolidated Banking Act, are regulated, *inter alia*, also by article 1469 *bis* of the Italian Civil Code and by the legislative decree 6 September 2005, No. 206 ("*Codice del consumo, a norma dell'articolo 7 della legge 29 luglio 2003, n. 229*") (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 (the "**Supplier**") to (a) terminate the contract without reasonable cause (*giusta causa*) or (b) modify the conditions of the contract without a valid reason (*giustificato motivo*) previously stated in such contract. However, article 33, paragraph 4 of the Consumer Code set forth that, with regard to financial contracts (i.e. the Loan Agreements), if there is a valid reason (*giustificato motive*), the Supplier is empowered to modify the economic terms subject to prior notice to the consumer. 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 Supplier to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer bound by clauses which he/she has not had any opportunity to consider and evaluate before entering into the consumer contract.

3.3 Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

On 29 December 2000, the Italian Government issued Decree No. 394, which clarified the uncertainty about the interpretation of the Usury Law and provided, *inter alia*, that interest

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

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

To solve such a contrast between different Italian Supreme Court (*Corte di Cassazione*) decisions, a decision by the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective, falling outside of the scope of the Usury Law. However, it remains still unclear how such decision will be applied by the merit courts.

3.4 Compounding of interest *(Anatocismo)*

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions operating in Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice. However, a number of judgements of Italian courts (including judgements of the Italian Supreme Court (*Corte di Cassazione*) have held that such practices may not be defined as customary practices.

In this respect, it should be noted that article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 ("**Decree No. 342**"), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest *(anatocismo)* made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of

accrued interest is no longer possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving ("**CICR**") issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

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

3.5 Claw-back risks

Under Italian law, the enforcement of obligations of a party or the effects of the performance of such obligations may be affected or limited by any limitations arising from administration, bankruptcy, receivership, insolvency, liquidation, reorganisation and similar laws generally affecting the rights of creditors.

In particular and without limitation to the generality of the foregoing, under article 67, paragraph 1, of the Italian Bankruptcy Law, the following types of transaction may be revoked by the Italian courts in the event that a company becomes insolvent, unless the counterparty can prove that it had no actual or constructive knowledge of the company's insolvency at the time the transaction was made:

(i) onerous transactions made, at an undervalue higher than 25%, in the year preceding the declaration of insolvency;

(ii) payments of expired obligations made "by unusual means" (for example, payments in kind) which were entered into in the year preceding the declaration of insolvency;

(iii) granting of security interests in respect of pre-existing non-expired obligations in the year preceding the declaration of insolvency; and

(iv) granting of security interests in respect of expired obligations created in the six months preceding the declaration of insolvency.

Notwithstanding the above, pursuant to article 67, paragraph 2, of the Italian Bankruptcy Law, the receiver may revoke the payment in respect of expired obligations, onerous transaction and the establishment of pre-emption rights, created in the six months preceding the declaration of insolvency, if the receiver proves that the counterparty had actual or constructive knowledge of the company's insolvency at the time the transaction was made.

Law 130/99 provides for certain exceptions to the above described general claw-back regime in respect of the transfer of the Loan Receivables from the Originator to the Issuer. More in particular, with respect to the assignment of the Loan Receivables from the Originator to the Issuer, the 1-year and the 6-month hardening periods as provided for by article 67 of the Italian Bankruptcy Law (during which the assignment may be revoked (*revocato*) upon application by a receiver), are reduced to 6 months and 3 months, respectively, by Law 130/99. For further details, see the section entitled *"Selected Aspect*

of Italian law".

In addition to the above, article 2901 of the Italian Civil Code – in respect of the so-called ordinary revocation regime, provides that a creditor can demand that acts by which the debtor disposes of his assets to the prejudice of such creditor's rights be declared ineffective as to him if:

(i) the debtor was aware of the prejudice which the act would cause to the rights of the creditor or, if such act was made prior to the existence of the claim, that such act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim; and

(ii) in the case of a "non-gratuitous act", the third person involved was aware of such prejudice and, if the act was made prior to the existence of the claim, such third person participated in the fraudulent design.

The assignment of the Loan Receivables to the Issuer will qualify as a "non-gratuitous act" for the purposes of article 2901 of the Italian Civil Code. Therefore, a creditor making a demand pursuant to such article would be required to establish that: (a) the assignments of the Loan Receivables were prejudicial to his/her/its rights as a creditor of the Originator and (b) the Originator and the Issuer were aware of such prejudice at the time the assignment of the Loan Receivables was made or, if the assignment of the Loan Receivables took place prior to the existence of his/her/its claim, that the Originator and the Issuer fraudulently agreed on the assignment of the Loan Receivables from the Originator to the Issuer for the purpose of prejudicing the satisfaction of the demanding creditor and the Issuer knowingly participated in the fraud; the fairness of the economic terms of the transaction may be of help in resisting a demand under article 2901 of the Italian Civil Code. Pursuant to article 2904 of the Italian Civil Code, the action for the ordinary revocation lapses in five years from the date of the act.

3.6 Law 130/99

As of the date of this Prospectus, only limited interpretation of the application of Law 130/99 has been issued by Italian governmental or regulatory authorities; therefore it is possible that further regulations, relating to Law 130/99 or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus. It should be noted that Decree No. 145, Decree No. 91 and Decree No. 50 introduced certain amendments to Law 130/99 by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of Law 130/99. For further details with respect to such new legislation, please see the section entitled "*Selected aspects of Italian Law*".

3.7 Article 182-*bis* of the Italian Bankruptcy Law

Article 182-*bis* of the Italian Bankruptcy Law provides that an entrepreneur in state of crisis may request to relevant bankruptcy court to approve (*omologare)* a debt restructuring agreement (*accordo di ristrutturazione*) between the relevant entrepreneur and its creditors representing at least 60% of the outstanding debts of such entrepreneur.

The proposed restructuring agreement shall be accompanied by a report issued by an auditor, enrolled in the register of accountancy auditors (*registro dei revisori legali*), certifying that such restructuring agreement is suitable to assure the full payment of any other creditors which are not part of such restructuring agreement within the following terms: (i) 120 days from the approval of the agreement by the relevant bankruptcy court (the so called *omologazione*), in case of credits already expired at such date; and (ii) 120

days from the relevant due date, in case of credits not already expired at the date of the approval of the agreement by the relevant bankruptcy court.

The restructuring agreement shall be published in the Register of Companies of the relevant entrepreneur and shall become effective upon such publication.

Starting from the mentioned publication and for the following 60 days, creditors of the entrepreneur with title acquired prior to the relevant publication cannot carry out any precautionary measures or enforcement proceedings (*azione cautelare o esecutiva*) against the entrepreneur estate, nor acquire any pre-emption rights unless agreed before the relevant publication.

3.8 Law no. 3 of 27 January 2012

According to the provision of Law 3/2012, a debtor in a state of over indebtedness ("*stato di sovraindebitamento*") is entitled to submit to the relevant creditors, with the assistance of a competent body ("*Occ-Organismi per la Composizione della Crisi*"), a debt restructuring proposal (the "**Restructuring Agreement**") which must ensure the payment, event partial, of its creditors (and the full payment of the creditors whose claims towards the relevant debtor are not subject to be "attached" ("*pignorati*") in accordance with article 545 of the Italian code of civil procedure).

Law 3/2012 applies to, *inter alios*, (i) debtors who are not eligible to be adjudicated bankrupt under the Italian Bankruptcy Law; or (ii) debtors which have not benefited from any procedure contemplated by Law 3/2012 in the past five years; or (iii) debtors that have not provided sufficient and adequate documentation in order to describe their current economic situation. Debtors must in any event comply with article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

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

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

The approved Restructuring Agreement shall be binding for all of the creditors of the relevant debtor and may provide the following in favour of the latter: (a) up to a one-year period moratorium for secured creditors ("*creditori privilegiati*"); (b) the suspension of all the pending foreclosure procedures and seizures ("*esecuzioni forzate e sequestri conservativi*") and the prohibition to start new foreclosure procedures and seizures until the approval of the Court has become final; (c) that creditors will be prevented from creating pre-emption rights ("*diritti di prelazione*") on the debtor's assets; and (d) that legal interests will cease to accrue.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay to public administrations and social-security institutions the obligations set out therein within 90 days from the established deadlines, or if it attempts to defraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

As an alternative to the procedure described above, the debtors (i) in a state of over indebtedness ("*stato di sovraindebitamento*") and (ii) which have not benefited from any

procedure contemplated by Law 3/2012 in the past five years, may also request the voluntary winding up of all their assets (article 14-*ter*). In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant debtor to transfer its assets to such liquidator. The appointed liquidator, using the proceeds deriving from the liquidation process of the debtor's assets, will then pay creditors proportionally to their claims (save for claims with pre- emption causes ("*diritti di prelazione*")). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures ("*esecuzioni forzate e sequestri conservativi*") on the debtor's assets will be suspended or cannot be started. Such procedure cannot have a duration of less than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator's assets and will be applied by the latter to pay the creditors of the relevant debtor.

Should any Obligor enter into a proceeding governed by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Obligor suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released. However, given the recent enactment of this legislation, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

These reforms could to a certain extent reduce the amount of time that it will take for the recovery of the Loan Receivables. However, they may also affect the amount of Recovery Collections.

3.9 Bank Recovery and Resolution Directive

On 2 July 2014, the Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Banks Recovery and Resolution Directive**" or "**BRRD**") entered into force.

The BRRD provides competent authorities with a 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.

On 16 November 2015, the Italian Government issued Legislative Decrees No. 180 and 181 implementing the BRRD in Italy (the "**BRRD Implementing Decrees**"). The BRRD Implementing Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the bail-in tool applies 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 applies since 1 January 2019.

With respect to the BRRD Implementing Decrees, Legislative Decree No. 180 of 16 November 2015 ("**Decree No. 180**") sets forth provisions concerning resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Legislative Decree No. 181 of 16 November 2015 ("**Decree No. 181**") introduces certain amendments to the Consolidated Banking Act and the Consolidated Financial Act concerning recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Decree No. 181 also amends certain provisions regulating proceedings for extraordinary administration ("*amministrazione straordinaria*") and compulsory administrative liquidation ("*liquidazione coatta amministrativa*") in order to render the relevant proceedings compliant with the BRRD.

In line with the provisions set forth under the BRRD, Decree No. 180 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 grants resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (*i.e.* shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

Decree No. 180 also provides for the State as a last resort, after having assessed and exploited the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilization 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 burden sharing requirements of the EU state aid framework and the BRRD. In particular, a single resolution fund financed by bank contributions at national level is being established and Regulation (EU) no. 806/2014 establishes the modalities for the use of the fund and the general criteria to determine contributions to the fund.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorization; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In order to ensure that the resolution authority have all the powers necessary to apply the resolution tools to the institutions and entities that meet the applicable conditions for resolution, article 60 of the Decree No. 180 provides that the resolution authority shall have certain resolution powers, which they may exercise individually or in any combination, including the following:

(i) the power to require any person to provide any information required for the resolution authority to decide upon and prepare a resolution action and including requiring information to be provided through on-site inspections;

(ii) the power to transfer shares or other instruments of ownership issued by an institution under resolution;

(iii) the power to transfer to another entity, with the consent of that entity, rights, assets or liabilities of an institution under resolution;

(iv) the power to reduce, including to reduce to zero, the nominal amount of shares or other instruments of ownership of an institution under resolution and to cancel such shares or other instruments of ownership;

(v) the power to reduce, including to reduce to zero, the principal amount of or outstanding amount due in respect of eligible liabilities, of an institution under resolution;

(vi) the power to cancel debt instruments issued by an institution under resolution except for secured liabilities;

(vii) the power to convert eligible liabilities of an institution under resolution into ordinary shares or other instruments;

(ix) the power to require an institution under resolution or a relevant parent institution to issue new shares or other instruments of ownership or other capital instruments, including preference shares and contingent convertible instruments;

(x) the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for secured liabilities;

(xi) the power to close out and terminate financial contracts or derivatives contracts for the purposes of applying article 54;

(xii) the power to remove or replace the management body and senior management of an institution under resolution upon occurrence of the events described in the Decree No. 180.

In addition to the above, article 61 of Decree No. 180 provides for certain ancillary powers exercisable by the resolution authority when exercising a resolution power, such as the powers to:

(a) subject to the limits set forth under the Decree No. 180, provide for a transfer to take effect free from any liability or encumbrance affecting the financial instruments, rights, assets or liabilities transferred;

(b) remove rights to acquire further shares or other instruments of ownership;

(c) require the relevant authority to discontinue or suspend the admission to trading on a regulated market or the official listing of financial instruments;

(d) require the institution under resolution or the recipient to provide the other with information and assistance; and

(f) cancel or modify the terms of a contract to which the institution under resolution is a party or substitute a recipient as a party.

It is noteworthy also that pursuant to article 66 of the Decree No. 180 the resolution authority has the power to suspend any payment or delivery obligations pursuant to any contract to which an institution under resolution is a party from the publication of a notice of the suspension until midnight in the Member State of the resolution authority of the institution under resolution at the end of the business day following that publication. If an institution under resolution's payment or delivery obligations under a contract are suspended, the payment or delivery obligations of the institution under resolution's counterparties under that contract shall be suspended for the same period of time. Any suspension shall not apply to: (a) eligible deposits; (b) payment and delivery obligations owed to systems or operators of systems designated for the purposes of Directive 98/26/EC, central counterparties, and central banks; (c) eligible claims for the purpose of

Directive 97/9/EC. Finally, article 93 of Decree No. 180 provides for certain protections for structured finance arrangements and covered bonds so as to prevent either of the following: (a) the transfer of some, but not all, of the assets, rights and liabilities which constitute or form part of a structured finance arrangement, including arrangements referred to in the Decree No. 180, to which the institution under resolution is a party; (b) the termination or modification through the use of ancillary powers of the assets, rights and liabilities which constitute or form part of a structured finance arrangement, including arrangements referred to in the Decree No. 180, to which the institution under resolution is a party.

Notwithstanding the above, pursuant to article 91 of the Decree No. 180, where necessary in order to ensure availability of the covered deposits the resolution authority may: (a) transfer covered deposits which are part of any of the arrangements mentioned in paragraph 1 without transferring other assets, rights or liabilities that are part of the same arrangement, and (b) transfer, modify or terminate those assets, rights or liabilities without transferring the covered deposits.

The powers set out in the BRRD and Decree No. 180 will impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Banks and investment firms being party to the Transaction Documents are subject to the provision of BRRD as implemented in the country of the relevant entity. Therefore, in case any bank or investment firm being party to the Transaction Documents is subject to a resolution, the exercise of the powers by the relevant resolution authority may affect the Transaction Documents and the rights and obligations of the parties thereto in accordance with the above.

3.10 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.

3.11 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 an increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a wide range of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital 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 Originator, the Servicer, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscriber, the Representative of the Noteholders or any

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

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various types of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) the relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the 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 Originator, 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 referred to above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the 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 "*Disclosure requirements CRA Regulation and EU Securitisation Regulation*" below.

3.12 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 ("**STS-securitisations**").

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 Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the securitisation 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, including with regard to the risk retention requirements under article 6 of the Securitisation Regulation, transparency obligations imposed under article 7 of the Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the Securitisation Regulation, considering that the Regulatory Technical Standards relating to such requirements are not in final form or have not been adopted yet. 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 Originator to retain a material net economic interest in the Securitisation in accordance with option set out in article 6, paragraph 3(d) of the Securitisation Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with article 7 of the Securitisation Regulation, please refer to the sections entitled "*Risk Retention Requirements* " and "*Transparency Requirements*".

The STS framework established by the Securitisation Regulation

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 Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Originator and the Issuer have used the service of PCS, a third party authorised pursuant to article 28 of the EU 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 Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

3.13 Investors' compliance with 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 Investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

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

With respect to the Institutional Investor's due diligence obligations under article 5 of the Securitisation Regulation, please refer to the section entitled "*Due Diligence Requirements*".

3.14 Disclosure requirements under CRA Regulation and Securitisation Regulation

The CRA Regulation provides for certain additional disclosure requirements for structured finance instrument ("**SFI**") within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 ("**CRA3**"). Such disclosure will need to be made via a website to be set up by ESMA. The Commission Delegated Regulation no. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions of the 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 yet adopted 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.

Additionally, CRA3 has introduced a requirement that issuers or related third parties of SFIs solicit two independent ratings for their obligations and should consider appointing at least one rating agency having less than a 10 per cent market share. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10 per cent market share, this must be documented. DBRS and Moody's have been engaged to rate the Class A Notes and this decision has been documented. As there is no guidance on the requirements for any such documentation there remains some uncertainty whether the Issuer's documentation efforts will be considered sufficient for these purposes and what the consequences of any non-compliance may be for investors in the Class A Notes.

3.15 Risks from reliance on verification by PCS

MBFSI, in its capacity as Originator, 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 Originator, 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 of the Securitisation 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 MBFSI, as Originator 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 Investors 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 EU 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.

MBFSI, as Originator, will include in its notification pursuant to article 27(1) of the EU 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.

3.16 U.S. risk retention requirements

The credit risk retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities including asset backed securities backed by auto-loans, such as the Loan Receivables on 24 December 2016. The U.S. Risk Retention Rules generally require the "sponsor" of a "securitisation 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 sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Securitisation does not and is not intended to comply with the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption for non-U.S. transactions provided for in Rule 20 of the U.S. Risk Retention Rules (regarding non-U.S. transactions). Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying securitised receivables was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prior to any Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Originator that it is a Risk Retention U.S. Person and obtain the written consent of the Originator, which will be monitoring the level of Notes purchased by, or for the account or benefit of, Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. There can be no assurance that the

requirement to obtain the Originator's written consent to the purchase of any Notes being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether failure of the transaction to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and it could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Issuer, the Originator, the Servicer, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscriber, the Representative of the Noteholders or any other party to the Transaction Documents, or any of their respective affiliates, makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and by the CRD IV in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

3.17 Liquidity Coverage Ratio And High Quality Liquid Assets

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

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

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

As the criteria for asset-backed securities to qualify as level 2B assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR regulation generally and the criteria applicable to level 2B assets in particular, it is not certain whether the Class A Notes qualify as level 2B assets for the purposes of the LCR and the Issuer makes no representation whether such criteria are met by such Notes.

In general, prospective investors in the Class A Notes should make their own independent decision whether to invest in the Class A Notes and whether an investment in the Class A Notes is appropriate or proper for them in their particular circumstances and in light of, *inter alia*, this specific matter, based upon their own judgment and upon advice from their own advisers as they may deem necessary and/or by seeking guidance from their relevant national regulator.

No predictions can be made as to the precise effect of such matter on any investor or otherwise and neither the Issuer nor any other transaction party gives a representation to any investor that the information described in this Prospectus is sufficient in all circumstances for such purposes.

3.18 Political and economic Developments in the Republic of Italy and European Union

Global economic and political conditions are volatile and growth may not be sustainable for a specific period of time.

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

Concerns about credit risks including credit risks of sovereigns and entities which are exposed to sovereigns have recently intensified. In particular, concerns have been raised about current economic, monetary and political conditions in the European currency area or the "Eurozone" and of the larger European Union which still includes the United Kingdom. On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**").

In particular, prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the article 50 withdrawal agreement). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020 and possibly longer.

The article 50 withdrawal agreement has not yet been ratified by the UK or the European Union. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 October 2019. To the extent ratification does take place ahead of 31 October 2019, the UK would leave on the first date of the month following ratification. However, it remains uncertain whether the article 50 withdrawal agreement, or any alternative agreement, will be finalised and ratified by the UK and EU ahead of the deadline. If that deadline of 31 October 2019 is not met, unless the negotiation period is further extended or the Article 50 notification revoked, the Treaty on the European Union and the Treaty on the Functioning of the EU will cease to apply to the UK and the UK will lose access to the EU single market. Whilst continuing to discuss the article 50 withdrawal agreement and political declaration, the UK Government has commenced preparations for a "hard" Brexit (or "no-deal" Brexit) to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book after any exit without a transitional period.

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.

3.19 Volcker Rule

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

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

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

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

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must

determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arranger or any other party to the Transaction Documents 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.

3.20 Forward-looking statements

Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. 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. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

4. Tax risks

4.1 Substitute tax under the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section entitled "*Taxation*", be subject to a Decree 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive the relevant amounts of interest payable on such Notes net of the aforementioned Decree 239 Deduction. A Decree 239 Deduction, if applicable, is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty if applicable.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to the Noteholders of amounts due pursuant to the Notes, the Issuer shall not be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts that they will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

4.2 Tax treatment of the Issuer

According to the guidelines issued by the Italian tax authorities with the circular letter of 6 February 2003, No. 8/E, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Loan Receivables and the Securitisation. Such conclusion is based on the fact that during a securitisation transaction (such as the Securitisation), the net proceeds generated by the relevant securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the relevant securitisation in compliance with applicable laws.

It is, however, possible that the Ministry of the Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to Law 130/99 which might alter or affect the tax position of the Issuer as described above.

4.3 Registration tax on transfer of receivables

A transfer of receivables (such as the Loan Receivables) falls within the scope of VAT in the event and to the extent that (i) it has a "financial purpose" pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above-mentioned Presidential Decree. Should the Italian tax authorities argue that the transfer of receivables does not fall within the scope of VAT, a 0.5% registration tax (pursuant to the provisions of article 6 of Tariff – Part I attached to Presidential Decree of 26 April 1986, No. 131 and article 49 of the above mentioned Presidential Decree) would be payable on the nominal value of the transferred receivables in case of registration (even in case of use pursuant to article 6 of the Presidential Decree of 26 April 1986, No. 131) of the transfer agreement or of any other agreement recalling the transfer agreement which is executed by the same parties and subject to registration, pursuant to the *enunciazione* principle provided for by article 22 of the same Presidential Decree.

4.4 Transactions on the Notes could be subject to the European financial transaction tax, if adopted

On 14 February 2013, the EU Commission adopted a proposal (the "**Commission's Proposal**") for a Council Directive) on a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT 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 should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

4.5 U.S. foreign account tax compliance act withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign pass-through payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes.

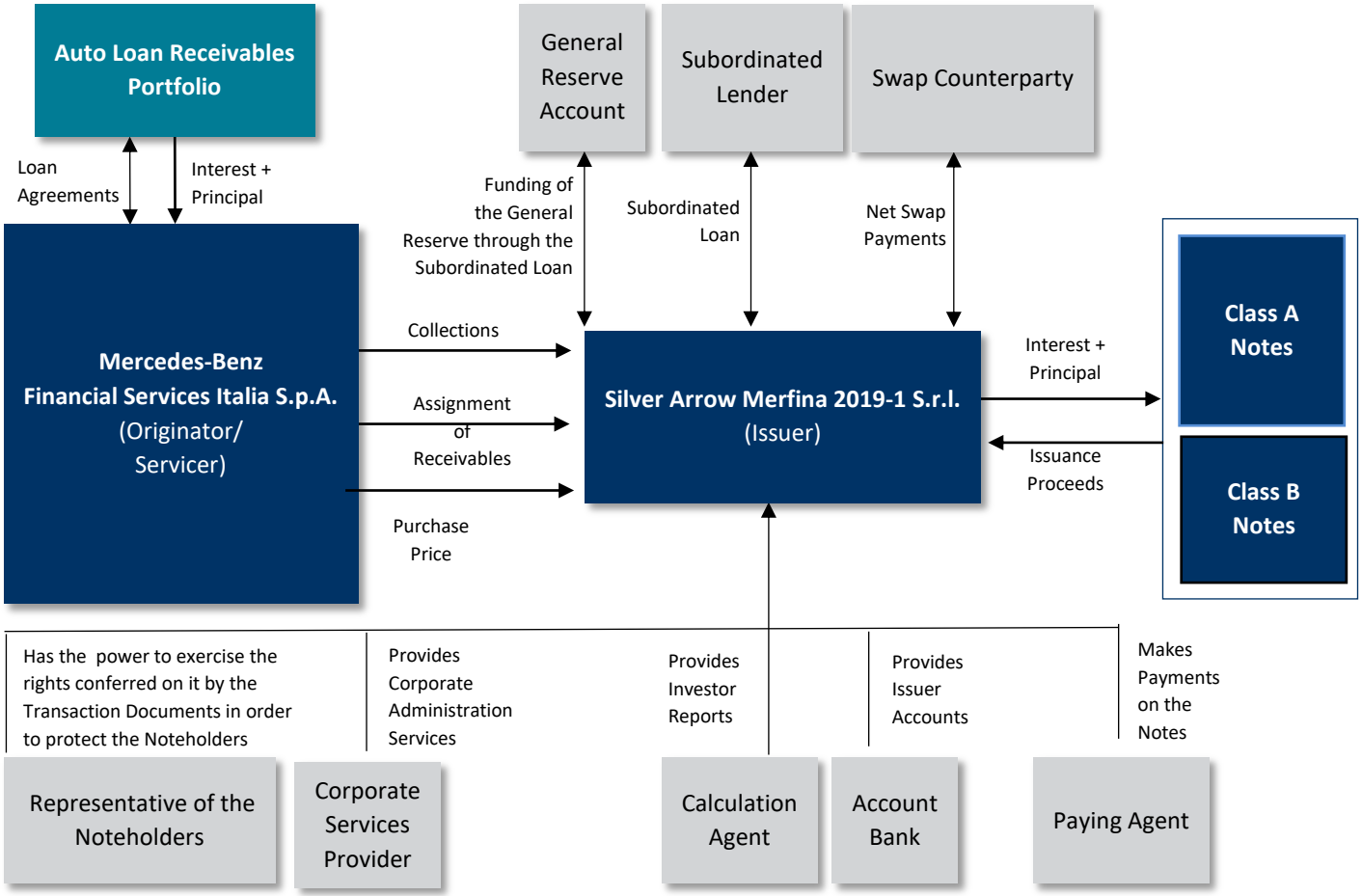
A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, 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 the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Prospective holders of the Notes should consult their own tax advisors about the application of FATCA and how rules may apply to, or affect payments to be received under the Class A Notes or any other payments to be made by parties to the Securitisation. If a FATCA Withholding were to be deducted with respect to payments on the Notes, no person will be required to pay additional amounts. As a result, investors may receive amounts that are less than expected.

STRUCTURE DIAGRAM

This structure diagram of the Securitisation is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



TRANSACTION OVERVIEW

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

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

1. PRINCIPAL PARTIES

Issuer	Silver Arrow Merfina 2019-1. The Issuer has an issued quota capital of Euro 10,000, which is entirely held by the Sole Quotaholder.
Originator	MBFSI. The Originator will act as such pursuant to the Loan Receivables Purchase Agreement.
Servicer	MBFSI. The Servicer will act as such pursuant to the Servicing Agreement.
Subordinated Lender	MBFSI. The Subordinated Lender will act as such pursuant to the Subordinated Loan Agreement.
Representative of the Noteholders	Zenith Service. The Representative of the Noteholders will act as such pursuant to the Intercreditor Agreement, the Mandate Agreement and the Subscription Agreements.
Arranger	UniCredit Bank.
Joint Lead Managers and Joint Bookrunners	UniCredit Bank and Société Générale. The Joint Lead Managers and Joint Bookrunners will act as such pursuant to the Senior Notes Subscription Agreement.
Managers	CA-CIB and LBBW. The Managers will act as such pursuant to the Senior Notes Subscription Agreement.
Junior Notes Subscriber	MBFSI. The Junior Notes Subscriber will act as such pursuant to the Junior Notes Subscription Agreement.
Account Bank	Elavon. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Paying Agent	Elavon. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Calculation Agent	Elavon. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Corporate Services Provider	Zenith Service. The Corporate Services Provider will act as such pursuant to the Corporate Services Agreement.
Sole Quotaholder	Special Purpose Entity Management S.r.l..

Swap Counterparty - Reporting Delegate	CA-CIB. The Swap Counterparty will act as such pursuant to the Swap Agreement.
Rating Agencies	DBRS and Moody's.

THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following classes:
The Class A Notes	€ 500,000,000 Class A Asset-Backed Floating Rate Notes due 2030 (the "**Class A Notes**" or the "**Senior Notes**"); and
Class B Notes	€ 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return Notes due 2030 (the "**Class B Notes**" or the "**Junior Notes**").
Issue Price	The Class A Notes will be issued at 100 per cent. of their principal amount. The Class B Notes will be issued at 100 per cent. of their principal amount.
Form and Denomination	The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account 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 any depository banks appointed by Clearstream and Euroclear. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes. The Notes will be issued in the denomination of € 100,000 and integral multiples of € 1,000 in excess thereof.
Status	The Notes will constitute direct, unconditional and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves, subject to the applicable Priority of Payments. 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 be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. The payment of interest, principal and any other amounts due on the Notes is conditional upon, *inter alia*, the performance of the Loan Receivables.
Subordination	In respect of the obligation of the Issuer to pay interest and repay principal in respect of the Notes and pay any Variable Return in respect of the Class B Notes, both prior to and after the service of a Enforcement Notice, subject to the applicable Priority of Payments:

	(a) the Class A Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class B Notes; and (b) the Class B Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Class A Notes.
Source of Payment of the Notes	The principal source of payment of interest, repayment of principal on the Notes and payment of any Variable Return on the Notes will be the Collections and the Recovery Collections received and recovered in respect of the Loan Receivables deriving from the Loans comprised in the Portfolio. The Portfolio has been purchased by the Issuer from MBFSI on the Purchase Date pursuant to the terms of the Loan Receivables Purchase Agreement. The Loans are all auto-loans aimed at funding the purchase of Vehicles. The Issuer will fund the payment of the Purchase Price of the Portfolio to MBFSI through the net proceeds deriving from the issue of the Notes.
Segregation of the Portfolio	By virtue of the operation of article 3 of Law 130/99 and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to Law 130/99). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. The Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the service of an Enforcement Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise the Issuer's Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio and the Issuer's Rights. Italian law governs the delegation of such power. In addition, security over certain monetary rights of the Issuer arising out of certain Transaction Documents and the Issuer Accounts has been granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Italian Deed of Pledge and the Security Deeds for the benefit of the Noteholders and the Other Issuer Creditors. For further details, see the section entitled "*The Security Documents*".
Interest Rate	Class A Notes: EURIBOR plus 0.53 per cent. *per annum*, subject to a

	floor of zero. Class B Notes: 1 per cent. *per annum* plus a Variable Return (if any) in accordance with Condition 7 (*Interest*)**.**
Issue Date	3 July 2019.
Legal Maturity Date	21 October 2030, subject to the Business Day Convention.
Payment Date	The 20th day of each calendar month, subject to the Business Day Convention. The first Payment Date will be 22 July 2019.
Interest Period	In respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.
Mandatory redemption	The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the First Payment Date and on each Payment Date thereafter, in accordance with Condition 8.2 *(Redemption, Purchase and Cancellation - Mandatory Redemption)*, in each case, if and to the extent that on such Payment Dates there will be sufficient Available Distribution Amount which may be applied towards redemption of the Notes pursuant to the Pre-enforcement Priority of Payments.
Call Option	Under the Loan Receivables Purchase Agreement, the Originator will have the option to repurchase from the Issuer all then outstanding Loan Receivables at the Repurchase Price on any Payment Date falling on or after the date which is the earlier of (i) the date on which the Aggregate Outstanding Loan Principal Amount is less than 10 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date, (ii) the date on which the Class A Notes are redeemed in full and (iii) the date on which the Issuer, the Representative of the Noteholders or the Noteholders resolve upon the sale of the Portfolio under the terms of the Intercreditor Agreement in order to fund the early redemption of the Notes under Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*). Such repurchase of the outstanding Loan Receivables will be made subject to the Repurchase Price plus the funds credited to the General Reserve Account and to the Operating Account being sufficient to allow the Issuer discharge in full all of its outstanding liabilities in respect of (a) the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part); and (b) all amounts required to be paid under the Post-enforcement Priority of Payments in priority to or *pari passu* with the amounts described under paragraph (a) above. The Issuer will use the funds received as Repurchase Price in order to early redeem the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part) at their Outstanding Note Principal Amount, together with all accrued but unpaid interest thereon, in accordance with Condition 8.3

	(Redemption, Purchase and Cancellation - Clean-Up Call).
Redemption for Taxation or Unlawfulness	Pursuant to Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)*, unless previously redeemed in full, the Issuer, having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 16 *(Notices)*, may redeem the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part) at their Outstanding Note Principal Amount, together with all accrued but unpaid interest thereon, on any Payment Date falling after the date on which: (a) the assets of the Issuer in respect of the Securitisation (including the Loan Receivables, the Collections and the other Issuer's Rights) have become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or (b) either the Issuer or any paying agent appointed in respect of the Class A Notes or any custodian of the Class A Notes has become required to deduct or withhold any amount in respect of such Class A Notes, from any payment of principal or interest on or after 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 by any political sub-division thereof or by any authority thereof or therein or by 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 Class A Notes before the Payment Date following the relevant change in law or interpretation or administration thereof; or (c) any amounts of interest payable to the Issuer in respect of the Loan Receivables have become required to be deducted or withheld from the Issuer 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 by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or (d) it has become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents. Any early redemption of the Notes in accordance with Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)* will be made in accordance with the Post-enforcement Priority of Payments and subject to the Issuer having the necessary funds (not subject to the interests of any person) to discharge in full all of its outstanding liabilities in respect of (a) the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part); and (b) all amounts required to be paid under the Post-enforcement Priority of Payments in priority to or *pari passu* with the amounts

	described under paragraph (a) above. In order to fund the early redemption of the Notes in accordance with Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)*, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Noteholders) direct the Issuer to, sell the Portfolio or any part thereof, subject to the terms and conditions of the Intercreditor Agreement and the Originator may repurchase the Portfolio (or the relevant part thereof to be sold) pursuant to the Call Option provided for by the Loan Receivables Purchase Agreement.
Cancellation Date	The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.
Available Distribution Amount	The Available Distribution Amount shall comprise, in respect of any Payment Date, the aggregate amount of (without double counting): (a) the Collections received in respect to the Collection Period ended immediately prior to such Payment Date; (b) the amount standing to the credit of the General Reserve Account; (c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; and (d) any other amount standing to the credit of the Operating Account, including any interest accrued on the Operating Account (without including any Collections received in respect of the Collection Period started immediately prior to such Payment Date).
Pre-enforcement Priority of Payments	Prior to the issuance of an Enforcement Notice, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the following Pre-enforcement Priority of Payments: (i) *first*, any due and payable taxes owed by the Issuer; (ii) *second*, any due and payable amounts to the Representative of the Noteholders; (iii) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee; (iv) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (*provided that* the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); (v) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes; (vi) *sixth*, an amount equal to the General Reserve Required Amount to the General Reserve Account; (vii) *seventh*, (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the

	Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero; (viii) *eighth*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes; (ix) *ninth*, (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero; (x) *tenth*, any due and payable interest amount on the Subordinated Loan; (xi) *eleventh*, the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero; (xii) *twelfth*, any indemnity payments due to any party under the Transaction Documents; (xiii) *thirteenth*, any payments due under the Swap Agreement other than those made under item *fourth* above; and (xiv) *fourteenth*, the Variable Return (if any) on the Class B Notes.
Post-enforcement Priority of Payments	After the issuance of an Enforcement Notice, the Representative of the Noteholders will apply the Available Distribution Amount on each Payment Date in accordance with the following Post-enforcement Priority of Payments: (i) *first*, any due and payable taxes owed by the Issuer; (ii) *second*, any due and payable amounts to the Representative of the Noteholders; (iii) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee; (iv) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (*provided that* the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); (v) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes (including any Class A Interest Amount accrued but unpaid); (vi) *sixth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero; (vii) *seventh*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes; (viii) *eighth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class B Notes until the Aggregate Outstanding Note Principal

	Amount of the Class B Notes is reduced to zero; (ix) *ninth*, any due and payable interest amount on the Subordinated Loan; (x) *tenth*, any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero; (xi) *eleventh*, any indemnity payments due to any party under the Transaction Documents; (xii) *twelfth*, any payments due under the Swap Agreement other than those made under item *fourth* above; and (xiii) *thirteenth*, the Variable Return (if any) on the Class B Notes.
Use of Proceeds from the Notes	The Issuer will apply the net proceeds of the Notes for, in particular, the purchase of the Loan Receivables from the Originator on the Issue Date.
Subscription	On the Issue Date: (a) the Joint Lead Managers and Joint Bookrunners and the Managers will subscribe for the Class A Notes, subject to certain conditions provided by the Senior Notes Subscription Agreement; and (b) the Junior Notes Subscriber will subscribe for the Class B Notes, subject to certain conditions provided by the Junior Notes Subscription Agreement.
Selling Restrictions	The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions are subject to certain restrictions. The Notes will not be offered or sold within the United States. For a description of these and other selling restrictions, please see the section entitled "*Subscription and sale - Selling Restrictions*".
Listing and admission to trading	Application will be made to the Luxembourg Stock Exchange for the Class A Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on its regulated market. The Class B Notes will not be listed.
Settlement	Monte Titoli; Clearstream, Luxembourg; Euroclear.
Governing Law	The Notes will be governed by the laws of the Republic of Italy.
Ratings	The Class A Notes are expected to be rated AA by DBRS and Aa3 by Moody's. The Class B Notes are not expected to be rated.

THE ASSETS & RESERVES

Assets backing the Notes	The Notes are backed by the Loan Receivables arising out of the Loan Agreements, being auto loans agreements executed between MBFSI, as lender, and its customers, as Obligors. The Loan Receivables have been purchased by the Issuer in accordance with the Loan Receivables Purchase Agreement. The Loan Receivables had an Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date of EUR 558,664,867.76. For further details, see the sections entitled *"Description of the Portfolio"*, *"Portfolio characteristics and historical data"* and "*Summary of the Transaction Documents – Loan Receivables Purchase Agreement*".
Eligibility Criteria and Originator Loan Warranties	*A. Eligibility Criteria* All the Loan Receivables must satisfy the Eligibility Criteria as of the Cut-Off Date (or as at the other dates specified in the Loan Receivables Purchase Agreement). *B. Originator Loan Warranties* Under the Loan Receivables Purchase Agreement, the Originator will give the Originator Loan Warranties as of the Purchase Date. Should it appear after the Purchase Date that, in respect of any Loan Receivable, any of the Eligibility Criteria was not satisfied as of the Cut-Off Date or any of the Originator Loan Warranties prove to be false, incomplete, inaccurate or incorrect in any material respect as of the Purchase Date, then any such Loan Receivables will be capable of being retransferred by the Issuer to the Originator pursuant to the Put Option. For further details, see the sections entitled "*Description of the Portfolio – Eligibility Criteria" and "Description of the Portfolio – Originator Loan Warranties*".
Issuer Accounts	On or before the Signing Date, the Issuer will open and maintain the Issuer Accounts, being the following bank accounts with the Account Bank which must have the Required Rating: (a) Operating Account; (b) General Reserve Account; and (c) Swap Collateral Account. The Issuer shall, during the life of the Securitisation, maintain the Issuer Accounts with an account bank which must have the Required Rating. If at any time the Account Bank ceases to have the Required Rating, the Account Bank shall take certain remedial actions required by the Rating Agencies to maintain the rating of the Class A Notes. If the Issuer should fail to appoint such successor account bank within thirty (30) days after receipt of the resignation notice given by the Account Bank, then the resigning Account Bank may appoint a successor account bank which has the Required Rating and is approved in writing by the Representative of the Noteholders, with the required capacities in the

	name and for the account of the Issuer by giving not less than thirty (30) days' prior notice to the Issuer. The Account Bank shall continue to provide services under the Cash Allocation, Management and Payment Agreement in any case until a successor Account Bank with the Required Rating is validly appointed by the Issuer.

THE MAIN TRANSACTION DOCUMENTS

Loan Receivables Purchase Agreement	Pursuant to the Loan Receivables Purchase Agreement, the Originator has sold and assigned the Portfolio of Loan Receivables to the Issuer against payment of the Purchase Price on the Issue Date. The Purchase Price equals the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date. The sale of the Portfolio has been made without recourse *(pro-soluto)* and pursuant to articles 1 and 4 of Law 130/99. For further details, see the section entitled "*Summary of the Transaction Documents - Loan Receivables Purchase Agreement*".
Servicing Agreement	Pursuant to the Servicing Agreement, the Servicer shall service, collect and administer the Loan Receivables and shall perform all related functions in accordance with the provisions of the Servicing Agreement and the Credit and Collection Policy. In particular, pursuant to the Servicing Agreement the Servicer shall (i) procure that, in relation to each relevant Loan Receivable all realised Collections shall be on-paid to the Operating Account within the second Business Days from their receipt and (ii) notify the Issuer in the event that Daimler AG ceases to own, directly or indirectly, at least 100% of the share capital of MBFSI or a termination of the profit and loss transfer agreement entered into between Daimler AG and MBFSI occurs. The Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to article 2, paragraph 3(c) of Law 130/99. For further details, see the section entitled "*Summary of the Transaction Documents - Servicing Agreement*".
Incorporated Terms Memorandum	Pursuant to the Incorporated Terms Memorandum (i) MBFSI, in its capacity as Originator and Servicer, has made certain representations and warranties, given certain indemnities and undertaken certain obligations in respect of, *inter alia*, the Portfolio purchased by the Issuer under the Loan Receivables Transfer Agreement, the services that will be provided under the Servicing Agreement, and certain other matters, (ii) the Common Terms in relation to the Securitisation have been set forth and (iii) the definitions of certain terms used in the Transaction Documents have been set forth. For further details, see the section entitled "*Summary of the Transaction Documents – Incorporated Terms Memorandum*".
Intercreditor Agreement	Pursuant to the Intercreditor Agreement provision has been made as to, *inter alia*, (i) the application of the Available Distribution Amount in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer and (iii) the circumstances in which the

	Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio. For further details, see the section entitled "*Summary of the Transaction Documents - Intercreditor Agreement*".
Cash Allocation, Management and Payment Agreement	Pursuant to the Cash Allocation, Management and Payment Agreement, the Servicer, the Calculation Agent, the Account Bank and the Paying Agent have agreed to provide the Issuer with certain agency, calculation, notification and reporting services, together with account handling in relation to monies from time to time standing to the credit of the Issuer Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for the payment of principal and interest in respect of the Notes, any Variable Return in respect of the Class B Notes. For further details, see the section entitled "*Summary of the Transaction Documents - Cash Allocation, Management and Payment Agreement*".
Corporate Services Agreement	Pursuant to the Corporate Services Agreement, the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services for the Issuer and also in relation to the Securitisation, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Loan Receivables and with other regulatory requirements imposed on the Issuer. For further details, see the section entitled "*Summary of the Transaction Documents - Corporate Services Agreement*".
Senior Notes Subscription Agreement	Pursuant to the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Class A Notes, and the Joint Lead Managers and Joint Bookrunners, and the Managers have (i) agreed to subscribe for such Class A Notes, subject to certain customary closing conditions and (ii) appointed the Representative of the Noteholders, in their capacity as initial holders of such notes. For further details, see the section entitled "*Summary of the Transaction Documents – Senior Notes Subscription Agreement*".
Junior Notes Subscription Agreement	Pursuant to the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Class B Notes, and the Junior Notes Subscriber has (i) agreed to subscribe for such Class B Notes, subject to certain customary closing condition, and (ii) appointed the Representative of the Noteholders, in its capacity as initial holder of such notes. For further details, see the section entitled "*Summary of the Transaction Documents – Junior Notes Subscription Agreement*".
Subordinated Loan Agreement	Pursuant to the Subordinated Loan Agreement, the Subordinated Lender has granted a loan to the Issuer in an amount equal to EUR 5,600,000 in order to fund the General Reserve Account. For further details, see the section entitled "*Summary of the Transaction Documents - Subordinated Loan Agreement*".
Swap Agreement	Pursuant to the Swap Agreement, the Swap Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes. For further details, see the section entitled "*Summary of the Transaction Documents - Swap Agreement*".

Italian Deed of Pledge	Pursuant to the Italian Deed of Pledge, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has granted, in favour of the Noteholders and the Other Issuer Creditors (acting through the Representative of the Noteholders), a first priority pledge over all existing and future monetary claims and rights deriving from certain Transaction Documents. For further details, see the section entitled "*Summary of the Transaction Documents - Italian Deed of Pledge*".
Irish Security Deed	Pursuant to the Irish Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other Issuer Creditors, its rights, title, benefit and interest (present and future) over the Issuer Accounts. For further details, see the section entitled "*Summary of the Transaction Documents – Irish Security Deed".*
English Security Deed	Pursuant to the English Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other Issuer Creditors, its rights, title, benefit and interest (present and future) in, to and under the Swap Agreement. For further details, see the section entitled "*Summary of the Transaction Documents - English Security Deed".*
Mandate Agreement	Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to the service of an Enforcement Notice or failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party. For further details, see the section entitled "*Summary of the Transaction Documents - Mandate Agreement".*
Letter of Undertakings	Pursuant to the Letter of Undertakings, the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as sole quotaholder of the Issuer. For further details, see the section entitled "*Summary of the Transaction Documents - Letter of Undertakings"*
Governing Law	The Transaction Documents will be governed by the laws of the Republic of Italy, apart from (i) the Swap Agreement and the English Security Deed which will be governed by English law and (ii) the Irish Security Deed which will be governed by Irish law.

DUE DILIGENCE REQUIREMENTS

Introduction

The Securitisation Regulation imposes certain due-diligence requirements on institutional investors aimed at allowing them to properly assess the risks arising from securitisations.

Particularly, each investor and potential investor in the Notes being an Institutional Investor (as defined below) shall comply with the due-diligence requirements established by article 5 of the Securitisation Regulation (*Due-diligence requirements for institutional investors*) (the "**Due-diligence Requirements**").

Under the Securitisation Regulation an 'institutional investor' is an investor which is one of the following:

(a) an insurance undertaking as defined in point (1) of article 13 of Directive 2009/138/EC;

(b) a reinsurance undertaking as defined in point (4) of article 13 of Directive 2009/138/EC;

(c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (1) in accordance with article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to article 32 of Directive (EU) 2016/2341;

(d) an alternative investment fund manager (AIFM) as defined in point (b) of article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the Union;

(e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of article 2(1) of Directive 2009/65/EC;

(f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that Directive for its management; and

(g) a credit institution as defined in point (1) of article 4(1) of Regulation (EU) No 575/2013 for the purposes of that Regulation or an investment firm as defined in point (2) of article 4(1) of that Regulation,

hereinafter each an "**Institutional Investor**".

The following paragraphs set out a summary of the Due-diligence Requirements.

Investor's duties prior to purchasing and holding any Notes

Pursuant to the Due-diligence Requirements, prior to the purchasing and holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, *inter alia*:

(a) verify that the Originator grants all the receivables giving rise to the Loan Receivables on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those receivables and has effective systems in place to apply those criteria and processes in accordance with article 9(1) of the Securitisation Regulation;

(b) verify that (i) the Originator retains on an ongoing basis a material net economic interest in accordance with article 6 of the Securitisation Regulation and (ii) the risk retention is

disclosed to the Institutional Investor in accordance with article 7 of the Securitisation Regulation. For further details, please see the sections entitled "*Risk retention requirements*" and "*Transparency requirements*";

(c) verify that the Reporting Entity has made available the information required by article 7 of the Securitisation Regulation in accordance with the frequency and modalities contained therein. For further details, please see the section entitled "*Transparency requirements*";

(d) carry out a due-diligence assessment enabling it to assess the risks involved and considering at least all of the following:

(i) the risk characteristics with respect to either the Class A Notes or the Class B Notes and the Loan Receivables;

(ii) all the structural features of the Securitisation that can materially impact the performance of the Notes, including the Priority of Payments, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default; and

(iii) the compliance of the Securitisation with the STS Requirements and the requirements provided for in article 27 of the Securitisation Regulation *provided that* Institutional Investors may rely to an appropriate extent on the STS notification pursuant to article 27(1) of the Securitisation Regulation and any information disclosed by the Originator, the Arranger and the Issuer, on the compliance with the STS requirements, without solely or mechanistically relying on that notification or information.

Investor's duties after purchasing and while holding the Notes

Pursuant to the Due-diligence Requirements, after purchasing and while holding any Notes, each investor and potential investor in the Notes being an Institutional Investor shall, *inter alia*:

(a) establish appropriate written procedures that are proportionate to the risk profile of the Notes and, where relevant, to the Institutional Investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with the duties described under the preceding Paragraph entitled "*Investor's duties prior to purchasing and holding any Notes*" and the performance of the Notes and of the Loan Receivables, in each case in accordance with article 5 of the Securitisation Regulation;

(b) regularly perform stress tests on the cash flows and collateral values supporting the Loan Receivables or, in the absence of sufficient data on cash flows and collateral values, stress tests on loss assumptions, having regard to the nature, scale and complexity of the risk of the Notes;

(c) ensure internal reporting to its management body so that the management body is aware of the material risks arising from the Notes and so that those risks are adequately managed; and

(d) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the Notes and the Loan Receivables and that it has implemented written policies and procedures for the risk management of the Notes and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 (a), (b) and (c) and of any other relevant information.

RISK-RETENTION REQUIREMENTS

Retention statement

The Originator confirms that it will, on an on-going basis, retain all the Class B Notes and the Subordinated Loan. As at the Issue Date, this retention corresponds to the material net economic interest of not less than five (5) per cent. in the meaning of article 6, paragraph 3(d) of the Securitisation Regulation, as interpreted and applied on the Issue Date.

In order to enable the Noteholders to conduct their own assessments, each Monthly Report will contain a statement in respect of the retention of the Class B Notes by the Originator as at the end of the corresponding Collection Period. For further details on the disclosure of the above information please see the section entitled "*Transparency requirements*".

TRANSPARENCY REQUIREMENTS

Introduction

Pursuant to article 7 paragraph 1 of the Securitisation Regulation, the Originator and the Issuer shall make available to holders of a securitisation position in the Securitisation, including the Noteholders, to the competent authorities referred to in article 29 of the Securitisation Regulation and, upon request, to potential investors the following information:

(i) information on the Loan Receivables on a quarterly basis;

(ii) all underlying documentation that is essential for the understanding of the transaction;

(iii) the STS Notification;

(iv) quarterly investor reports containing the following:

  (a) all materially relevant data on the credit quality and performance of the Loan Receivables;

  (b) information on events which trigger changes in the Priority of Payments or the replacement of any counterparties, and data on the cash flows generated by the Loan Receivables and by the liabilities of the Securitisation;

  (c) information about the risk retained, including information on which of the modalities provided for in article 6(3) of the Securitisation has been applied, in accordance with article 6 of the Securitisation Regulation;

(v) without undue delay, any inside information relating to the Securitisation that the Originator or the Issuer is obliged to make public in accordance with article 17 of Regulation (EU) No 596/2014 on insider dealing and market manipulation; and

(vi) without undue delay, where point (v) does not apply, any significant event such as:

  (a) a material breach of the obligations provided for in the documents made available in accordance with point (ii), including any remedy, waiver or consent subsequently provided in relation to such a breach;

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

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

  (d) where the securitisation ceases to meet the STS Requirements or where competent authorities have taken remedial or administrative actions; and

  (e) any material amendment to Transaction Documents.

Pursuant to article 7(2) of the Securitisation Regulation, the Originator and the Issuer shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (i), (ii), (iii), (iv), (v) and (vi) above (the "**Reporting Entity**").

The Reporting Entity shall make available such information by means of a securitisation repository, or, where no securitisation repository is registered in accordance with article 10 of the Securitisation Regulation, by means of a website meeting the requirements set forth by article 7(2) of the Securitisation Regulation.

Compliance with article 7 of the Securitisation Regulation

Pursuant to the Intercreditor Agreement, the Originator has been designated as Reporting Entity. In such capacity, the Originator shall fulfil the information requirements set out in the paragraph above. For such purpose:

(i) pursuant to the Servicing Agreement the Servicer has undertaken to prepare, on a quarterly basis, the loan level data setting out the information required by paragraph (a) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards (the "**Loan Level Data**");

(ii) pursuant to the Servicing Agreement the Servicer has undertaken to prepare the Monthly Report containing the information required by paragraph (e) of article 7(1) of the Securitisation Regulation; and

(iii) pursuant to the Intercreditor Agreement:

(a) the Issuer shall deliver to the Reporting Entity a copy of the Transaction Documents, the Prospectus and any other document or report received in connection with the Securitisation;

(b) the Servicer shall deliver to the Reporting Entity the Loan Level Data on a quarterly basis;

(c) the Servicer shall deliver to the Reporting Entity the Monthly Report on each Reporting Date; and

(d) upon the occurrence of any event triggering the existence of an inside information as provided for by article 7(1) points (f) and (g), the Servicer has undertaken to prepare and deliver to the Reporting Entity the Inside Information Report containing such information without undue delay, subject to the timely receipt of all necessary information from the relevant parties;

(e) the Servicer shall deliver to the Reporting Entity the Inside Information Report on a quarterly basis (it being understood that, should no event provided for by article 7(1) points (f) and (g) of the Securitisation Regulation have occurred, the Inside Information Report shall include only such information)

The Reporting Entity will make available the information required under article 7(1) of the Securitisation Regulation and set out in points (a), (b), (c), (d) and (e) above on the website of European Data Warehouse (being, as at the date of this Prospectus, www.eurodw.eu).

Each prospective investor is, however, required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with article 5 of the Securitisation Regulation and none of the Issuer, the Joint Lead Managers and Joint Bookrunners, or the Managers or the Originator make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of article 5 of the Securitisation Regulation in their relevant jurisdiction.

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

Pursuant to the provisions of the Servicing Agreement, the Servicer will provide, upon reasonable request by the Issuer, such further information as reasonably requested by the Noteholders for the purposes of compliance of such Noteholder with the requirements under article 5 of the Securitisation Regulation and the implementation into the relevant national law, subject to

applicable law and availability provided that the Servicer shall be entitled to limit the frequency of the disclosure of such additional information to not more than four times in a calendar year.

Article 22(5) of the Securitisation Regulation

Pursuant to article 22(5) of the Securitisation Regulation, the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. In particular:

- the information required by point (a) of the first subparagraph of article 7(1) shall be made available to potential investors before pricing upon request;
- the information required by points (b) to (d) of the first subparagraph of article 7(1) shall be made available before pricing at least in draft or initial form; and
- the final documentation shall be made available to investors at the latest 15 days after closing of the transaction.

Compliance with article 22 of the Securitisation Regulation

In order to comply with the transparency requirements provided for by article 22 of the Securitisation Regulation, the Originator:

(a) has made available to any potential investor in the Notes data on static historical default performance relating to the five years period starting on 1 January 2014 and ending on 31 December 2018 in respect of receivables substantially similar to the Loan Receivables;

(b) has made available – via Moody's Analytics – to any potential investor in the Notes, before pricing of the Notes, an accurate model representing precisely the contractual relationship between the Loan Receivables and the payments flowing between the Originator, the Noteholders, the Issuer and any other party to the Securitisation which contained an amount of information sufficient to allow such potential investor to price the Notes (the "**Liability Cash Flow Model**");

(c) has undertaken under the Incorporated Terms Memorandum to make available the Liability Cash Flow Model on an ongoing basis to the Noteholders – via Moody's Analytics – and, upon request, to potential investors in the Notes; and

(d) where available to the Originator, has undertaken in the Incorporated Terms Memorandum to include the environmental performance of the Financed Vehicles in the Monthly Report;

(e) has made available before pricing of the Notes, the Loan Level Data;

(f) has made available before pricing of the Notes, the Transaction Documents (other than the Subscription Agreements) and the Prospectus in a draft form;

(g) has made available before pricing of the Notes, a draft of the STS Notification;

(h) will make available the Prospectus, the Transaction Documents and the STS Notification in final versions, within 15 days from the Issue Date.

The information set out in paragraph (e), (f), (g) and (h) above has been or will be made available (as the case may be) on the website of European Data Warehouse (being, as at the date of this Prospectus, www.eurodw.eu).

COMPLIANCE WITH STS REQUIREMENTS

The Securitisation meets the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation (the "**STS Requirements**").

The compliance of the Securitisation with the STS Requirements has been verified as of the Issue Date by Prime Collateralised Securities (PCS) UK Limited, in its capacity as third party verification agent authorised pursuant to article 28 of the Securitisation Regulation. No assurance can be provided that the Securitisation described in this Prospectus does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

The Originator has notified ESMA that the Securitisation meets the STS Requirements in accordance with article 27 of the Securitisation Regulation.

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).

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Terms and Conditions**"). In these Terms and Conditions, references to the "holder" of a Note or to the "Noteholders" are to the ultimate owners of the Notes, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) article 83 bis of the Financial Laws Consolidated Act and (ii) the Joint Regulation issued by CONSOB and the Bank of Italy on13 August 2018.*

The €500,000,000 Class A Asset Backed Floating Rate Notes due October 2030 (the "**Class A Notes**") and the €58,665,000 Class B Asset Backed Fixed Rate Variable Return Notes due October 2030 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**") have been issued by Silver Arrow Merfina 2019-1 S.r.l. ("**Silver Arrow Merfina 2019-1**" or the "**Issuer**") on 3 July 2019 (the "**Issue Date**") pursuant to Law 130/99 in the context of the Securitisation, in order to finance the purchase the Loan Receivables arising out of the Loan Agreements, being auto loans agreements executed between Mercedes-Benz Financial Services Italia S.p.A. ("**MBFSI**" or the "**Originator**"), as lender, and its customers, as Obligors.

Any reference in these Terms and Conditions to a "**Class**" of Notes or a "**Class**" of holders of Notes shall be a reference to the Class A Notes and the Class B Notes, as the case may be, or to the respective holders thereof and any reference to any agreement or document shall be a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

The principal source of funds available to the Issuer for payment of interest and repayment of principal in respect of the Notes and payment of any Variable Return in respect of the Class B Notes will be the Collections and the Recovery Collections made in respect of the Loan Receivables.

The Purchase Price of the Loan Receivables will be funded by the Issuer through the net subscription price which will be paid in respect of the Notes by the Subscribers on the Issue Date pursuant to the Subscription Agreements.

The Loan Receivables were purchased by the Issuer from the Originator on the Purchase Date, being 14 June 2019, pursuant to the Loan Receivables Purchase Agreement.

1. INTRODUCTION

1.1 *Noteholders deemed to have notice of the Transaction Documents*

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of, the Transaction Documents.

1.2 *Provisions of the Terms and Conditions subject to the Transaction Documents*

Certain provisions of these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transactions Documents.

1.3 *Transaction Documents*

1.3.1 By the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Class A Notes, and the Joint Lead Managers and Joint Bookrunners and the Managers have (i) agreed to subscribe for such Class A Notes, subject to certain customary closing conditions and (ii) appointed the Representative of the Noteholders, in their capacity as initial holders of such notes.

1.3.2 By the Junior Notes Subscription Agreement, the Issuer has agreed to issue the

Class B Notes, and the Junior Notes Subscriber has (i) agreed to subscribe for such Class B Notes, subject to certain customary closing conditions and (ii) appointed the Representative of the Noteholders, in its capacity as initial holder of such notes.

1.3.3 By the Servicing Agreement, the Issuer has appointed MBFSI as Servicer with the task of carrying out the management, collection and recovery of the Portfolio purchased by the Issuer under the Loan Receivables Transfer Agreement. The Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to article 2, paragraphs 3(c), 6 and 6 bis of Law 130/99.

1.3.4 By the Incorporated Terms Memorandum (i) MBFSI, in its capacity as Originator and Servicer, has made certain representations and warranties, given certain indemnities and undertaken certain obligations in respect of, *inter alia*, the Portfolio purchased by the Issuer under the Loan Receivables Transfer Agreement, the services that will be provided under the Servicing Agreement, and certain other matters, (ii) the Common Terms in relation to the Securitisation have been set forth and (iii) the definitions of certain terms used in the Transaction Documents have been set forth.

1.3.5 By the Corporate Services Agreement, the Corporate Services Provider has agreed to provide the Issuer with certain corporate and administrative services for the Issuer and also in relation to the Securitisation, including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Loan Receivables and with other regulatory requirements imposed on the Issuer.

1.3.6 By the Cash Allocation, Management and Payment Agreement, the Calculation Agent, the Account Bank, and the Paying Agent have agreed to provide the Issuer with certain agency, calculation, notification and reporting services, together with account handling in relation to monies from time to time standing to the credit of the Issuer Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for the payment of principal and interest in respect of the Notes, any Variable Return in respect of the Class B Notes.

1.3.7 By the Intercreditor Agreement, provision has been made as to, *inter alia*, (i) the application of the Available Distribution Amount in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

1.3.8 By the Swap Agreement, the Swap Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes.

1.3.9 By the Italian Deed of Pledge, in addition and without prejudice to the statutory segregation provided for by of article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, granted, in favour of the Noteholders and the Other Issuer Creditors (acting through the Representative of the Noteholders), a first priority pledge over all existing and future monetary claims and rights deriving from certain Transaction Documents.

1.3.10 By the English Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other

Issuer Creditors, its rights, title, benefit and interest (present and future) in, to and under the Swap Agreement.

1.3.11 By the Irish Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other Issuer Creditors, its rights, title, benefit and interest (present and future) over the Issuer Accounts.

1.3.12 By the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to the service of an Enforcement Notice or failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

1.3.13 By the Letter of Undertakings, the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as quotaholder of the Issuer.

1.4 *Transaction Documents available for inspection*

Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Paying Agent, being, as at the Issue Date, Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland.

1.5 *Rules of the Organisation of the Noteholders*

The Noteholders are deemed to have notice of, are bound by, and shall have the benefit of the terms of the Rules of the Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part of these Terms and Conditions. The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders.

1.6 *Representative of the Noteholders*

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself. Each Noteholder (other than the Subscribers), by reason of holding the Notes acknowledges and agrees that the Subscribers shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Zenith Service or any successor thereof of its duties as Representative of the Noteholders, as provided for by the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1 *Definitions*

Capitalised words and expressions in these Terms and Conditions shall, unless otherwise specified or unless the context otherwise requires, have the following meanings:

"**Account Bank**" means Elavon, any successor thereof or any other Person appointed as replacement account bank from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Administration Expenses**" means, during the life of the Securitisation, the fees, costs, and expenses (excluding indemnity payments) payable on each Payment Date with respect to:

(a) the Corporate Services Provider under the Corporate Services Agreement;

(b) the Account Bank under the Cash Allocation, Management and Payment Agreement;

(c) the Calculation Agent under the Cash Allocation, Management and Payment Agreement;

(d) the Paying Agent under the Cash Allocation, Management and Payment Agreement;

(e) the accountants and auditors of the Issuer;

(f) the Rating Agencies; and

(g) such other persons appointed by the Issuer as servicer providers.

"**Adverse Claim**" means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"**Agency**" means the Revenue Agency – Regional Direction of Lombardy.

"**Agents**" means the Calculation Agent, the Account Bank and the Paying Agent, collectively, and "**Agent**" means any of them.

"**Aggregate Outstanding Loan Principal Amount**" means on the Cut-Off Date and on any Determination Date the aggregate of the Outstanding Loan Principal Amount of all Loan Receivables which are not Defaulted Loan Receivables.

"**Aggregate Outstanding Note Principal Amount**" means the aggregate of the Outstanding Note Principal Amount of a Class of Notes on a Payment Date (taking into account the principal redemption on such Payment Date).

"**AIFM Regulation**" means Regulation (EU) no. 231/2013, as amended, supplemented and/or replaced from time to time.

"**Arranger**" means UniCredit Bank.

"**Available Distribution Amount**" means, with respect to any Payment Date, the sum of:

(a) the Collections received in respect to the Collection Period ended immediately prior to such Payment Date;

(b) the amount standing to the credit of the General Reserve Account;

(c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; and

(d) any other amount standing to the credit of the Operating Account, including any interest accrued on the Operating Account (without including any Collections received in respect of the Collection Period started immediately prior to such Payment Date).

"**Balloon Loan Receivable**" means a Loan Receivable with a final mandatory balloon instalment which is a stand-alone arrangement not coupled with any obligation of the dealer.

"**Bank of Italy Supervisory Regulations**" means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt, London, Luxembourg, Rome, Dublin and Stuttgart and on which the TARGET2 is open for settlement of payments in euros.

"**Business Day Convention**" means that if any due date specified in a Transaction Document for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day (*Modified Following Business Day Convention*).

"**CA-CIB**" means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under, and governed by, the laws of France, whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex - France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304187701.

"**Calculation Agent**" means Elavon, any successor thereof or any other Person appointed as replacement calculation agent from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Calculation Date**" means in relation to each Collection Period the second Business Day preceding the relevant Payment Date.

"**Cancellation Date**" means the earlier of (i) the date on which the Notes are redeemed in full, (ii) the Legal Maturity Date and (iii) the date on which the Representative of the Noteholders on the basis of the information received from the Servicer has determined that there are no more Available Distribution Amount to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer, at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes shall be finally and definitively cancelled, or, if any Noteholder objects such Representative of the Noteholders' determination for reasonably grounded reasons within 30 days from notice thereof, the date on which such determination in respect thereof is made by an independent third party in accordance with Condition 9.3.

"**Cash Allocation, Management and Payment Agreement**" means the cash allocation, management and payment agreement entered into on or about the Signing Date, between, *inter alios*, the Issuer, the Account Bank, the Paying Agent, the Calculation Agent and the Representative of the Noteholders, as amended and supplemented from time to time.

"**Class A Noteholder**" means any Holder of a Class A Note and "**Class A Noteholders**" means all of them.

"**Class A Notes**" means the € 500,000,000 Class A Asset-Backed Floating Rate Notes due October 2030.

"**Class A Interest Amount**" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class A Notes on the preceding Payment Date

and (ii) the Class A Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class A Notes.

"**Class A Interest Rate**" means the EURIBOR plus 0.53 per cent. *per annum*.

"**Class A Principal Redemption Amount**" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the Required Principal Redemption Amount on such Payment Date.

"**Class B Noteholder**" means any Holder of a Class B Note and "**Class B Noteholders**" means all of them.

"**Class B Notes**" means the € 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return Notes due October 2030.

"**Class B Interest Amount**" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class B Notes on the preceding Payment Date and (ii) the Class B Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class B Notes.

"**Class B Interest Rate**" means 1 per cent. *per annum*.

"**Class B Principal Redemption Amoun**t" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class B Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the difference of:

(i) the Required Principal Redemption Amount on such Payment Date; and

(ii) the Class A Principal Redemption Amount on such Payment Date.

"**Class of Notes**" means each of the Class A Notes and the Class B Notes.

"**Call Option**" means the option provided for by the Loan Receivables Purchase Agreement, according to which the Originator may repurchase from the Issuer all the outstanding Loan Receivables at the Repurchase Price from the Issuer, subject to and upon the terms and conditions provided thereunder.

"**Clearstream, Luxembourg**" means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and any successor thereto.

"**Clearing Systems**" means Clearstream, Luxembourg and Euroclear.

"**Collection Date**" means, with reference to each Collection and Recovery Collection, the date on which the relevant Collection or Recovery Collection, as the case may be, has been received and allocated.

"**Collection Period**" means each period (i) from but excluding the Cut-Off Date to and including the first Determination Date, and, (ii) thereafter from but excluding a Determination Date to and including the next following Determination Date.

"**Collections**" means for each Collection Period, all collections, including the Interest Collections, the Principal Collections and the Recovery Collections, received in respect of the Loan Receivables.

"**Common Terms**" means the common terms applicable to the Transaction Documents set out in the Incorporated Terms Memorandum.

"**Condition**" means a condition of the Terms and Conditions.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**CONSOB Resolution No. 20249**" means CONSOB Resolution No. 20249 of 28 December 2017 (*Regolamento recante norme di attuazione del decreto legislativo 24 febbraio 1998, n. 58 in materia di mercati*), amending and supplementing CONSOB Resolution No. 11768 of 23 December 1998 and CONSOB Resolution No. 16191 of 29 October 2007, as amended and supplemented from time to time.

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and implemented from time to time.

"**Consolidated Financial Act**" means Legislative Decree No. 58 of 24 February 1998, as subsequently amended and implemented from time to time.

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about the Signing Date, between the Issuer and the Corporate Services Provider, as amended and supplemented from time to time.

"**Corporate Services Provider**" means Zenith Service, any successor thereof or any other Person appointed as replacement Corporate Services Provider from time to time in accordance with the Corporate Services Agreement.

"**Credit and Collection Policy**" means the policies, practices and procedures of the Servicer relating to the origination, servicing and collection of the Loan Receivables, as amended and supplemented from time to time.

"**Credit Support Annex**" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Swap Agreement.

"**CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013.

"**CRR**" means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time.

"**Cut-Off Date**" means 31 May 2019.

"**Daimler**" means Daimler AG.

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 360.

"**DBRS**" means DBRS Ratings Limited or any successor to its rating business.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If a COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS (www.dbrs.com).

"**DBRS Equivalent Chart**" means:

<table>
<tr><td>DBRS</td><td>Moody's</td><td>S&P</td><td>Fitch</td></tr>
<tr><td>AAA</td><td>Aaa</td><td>AAA</td><td>AAA</td></tr>
<tr><td>AA(high)</td><td>Aa1</td><td>AA+</td><td>AA+</td></tr>
<tr><td>AA</td><td>Aa2</td><td>AA</td><td>AA</td></tr>
<tr><td>AA(low)</td><td>Aa3</td><td>AA-</td><td>AA-</td></tr>
<tr><td>A(high)</td><td>A1</td><td>A+</td><td>A+</td></tr>
<tr><td>A</td><td>A2</td><td>A</td><td>A</td></tr>
<tr><td>A(low)</td><td>A3</td><td>A-</td><td>A-</td></tr>
<tr><td>BBB(high)</td><td>Baa1</td><td>BBB+</td><td>BBB+</td></tr>
<tr><td>BBB</td><td>Baa2</td><td>BBB</td><td>BBB</td></tr>
<tr><td>BBB(low)</td><td>Baa3</td><td>BBB-</td><td>BBB-</td></tr>
<tr><td>BB(high)</td><td>Ba1</td><td>BB+</td><td>BB+</td></tr>
<tr><td>BB</td><td>Ba2</td><td>BB</td><td>BB</td></tr>
<tr><td>BB(low)</td><td>Ba3</td><td>BB-</td><td>BB-</td></tr>
<tr><td>B(high)</td><td>B1</td><td>B+</td><td>B+</td></tr>
<tr><td>B</td><td>B2</td><td>B</td><td>B</td></tr>
<tr><td>B(low)</td><td>B3</td><td>B-</td><td>B-</td></tr>
<tr><td>CCC(high)</td><td>Caa1</td><td>CCC+</td><td rowspan="5">CCC</td></tr>
<tr><td>CCC</td><td>Caa2</td><td>CCC</td></tr>
<tr><td>CCC(low)</td><td>Caa3</td><td>CCC-</td></tr>
<tr><td rowspan="2">CC</td><td rowspan="2">Ca</td><td>CC</td></tr>
<tr><td>C</td></tr>
<tr><td>D</td><td>C</td><td>D</td><td>D</td></tr>
</table>

"**DBRS Equivalent Rating**" means with respect to any issuer rating or senior unsecured debt rating (or other rating equivalent), (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) 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 Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

"**Decree No. 7**" means Italian Law Decree No. 7 of 31 January 2007, as amended and supplemented from time to time.

"**Decree No. 50**" means Italian Law Decree No. 50 of 24 April 2017, as amended and supplemented from time to time.

"**Decree No. 91**" means Italian Law Decree No. 91 of 24 June 2014, as amended and supplemented from time to time.

"**Decree No. 93**" means Italian Law Decree No. 93 of 27 May 2008, as amended and supplemented from time to time.

"**Decree No. 145**" means Italian Law Decree No.145 of 24 December 2013, as amended and supplemented from time to time.

"**Decree No. 213**" means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree No. 350**" means Italian Law Decree No. 350 of 25 September 2001, as amended and supplemented from time to time.

"**Decree No. 351**" means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

"**Decree No. 394**" means Italian Law Decree No. 394 of 29 December 2000, as amended and supplemented from time to time**.**

"**Decree No. 435**" means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

"**Decrees**" means Decree No. 91 and Decree No. 145, collectively.

"**Defaulted Loan Receivables**" means the Loan Receivable in respect of which:

(a) the Obligor is with more than six (6) (not necessarily consecutive) instalments in arrears, or, if earlier,

(b) the relevant Loan Agreement has been terminated and/or accelerated ("*decadenza*

del beneficio del termine") or declared defaulted in accordance with the Credit and Collection Policy of the Servicer,

and "**Defaulted Loan Receivable**" means any of them.

"**Delinquent Instalment**" means an instalment due and not fully paid as of the relevant due date under the relevant Loan Agreement.

"**Delinquent Loan Receivables**" means the Loan Receivables in respect of which there is at least one Delinquent Instalment and which have not been classified as a Defaulted Receivables, and "**Delinquent Loan Receivable**" means any of them.

"**Determination Date**" means the last calendar day of each calendar month and the first Determination Date will be 30 June 2019.

"**Directive 2014/65/EU**" or "**MiFID II**" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended and supplemented from time to time.

"**Directive 2002/92/EC**" means Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002, as amended and supplemented from time to time.

"**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 EU Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"**ECB**" means the European Central Bank.

"**ECB Guidelines**" means the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy for liquidity and/or open market transactions carried out with the ECB, as subsequently amended, supplemented and replaced from time to time.

"**ECOFIN**" means the EU Council of Economic and Finance Ministers.

"**EC Treaty**" means the Treaty on the Functioning of the European Union, originally named Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on the European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001), as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007).

"**Elavon**" means Elavon Financial Services DAC, a Designated Activity Company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland.

"**Eligibility Criteria**" means the eligibility criteria provided for by the Loan Receivables Purchase Agreement, which shall be satisfied by all the Loan Receivables, as at the Cut-Off Date.

"**Eligible Swap Counterparty**" means with respect to the Swap Counterparty or any

guarantor of the Swap Counterparty, respectively, any entity

(a) the long-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated by DBRS, or the DBRS Critical Obligations Rating of which is, at least (i) "A" or (ii) "BBB" and which posts collateral in the amount and manner set forth in the Swap Agreement; or which obtains a guarantee from a person the long-term unsecured, unguaranteed and unsubordinated debt obligations of which have the ratings set forth in (i) or (ii) above and, in the case of a rating required pursuant to (ii), posts collateral in the amount and manner set forth in the Swap Agreement; or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS, such debt obligations have at least a DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and

(b) whose counterparty risk assessment from Moody's is rated (i) "A3" or above or (ii) "Baa3" or above and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set forth in (b)(i) above.

"**EMU**" means the European Economic and Monetary Union introduced pursuant to the EC Treaty.

"**EONIA**" means Euro Over Night Index Average.

"**Enforcement Event**" means any of the following events:

(a) an Insolvency Event occurs in respect of the Issuer;

(b) in accordance with the Pre-enforcement Priority of Payments, a default occurs in the payment of interest on any Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within two (2) Business Days of its occurrence); or

(c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Representative of the Noteholders.

"**Enforcement Notice**" means the written notice served by the Representative of the Noteholders on the Issuer upon the occurrence of an Enforcement Event.

"**English Security Deed**" means the English law security deed of charge and assignment entered into between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors) on or about the Signing Date, as amended and supplemented from time to time.

"**English Transaction Documents**" means the Swap Agreement and the English Security Deed.

"**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.

"**EUR**" or "**Euro**" means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"**EURIBOR**" (Euro Interbank Offered Rate) means for the first Interest Period, commencing

on the Issue Date, the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one week and (ii) the rate for deposits in Euro for a period of one month, both reference rates appearing on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying inter-bank offered rate quotations of major banks), and for any Interest Period commencing on the first Payment Date and thereafter, the rate for deposits in Euro for a period of one month, such reference rate shown on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01.

With respect to an Interest Determination Date for which EURIBOR does not appear on Reuters Page EURIBOR01 (or its successor page), EURIBOR will be determined on the basis of the rates at which deposits in EUR are offered by the Reference Banks at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The Paying Agent will request the principal Euro-zone office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotations. If fewer than two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates quoted by major banks in the Euro-zone selected by the Paying Agent at approximately 11.00 a.m., Brussels time, on such Interest Determination Date for loans in EUR for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time to leading European banks.

If the Paying Agent is on any Interest Determination Date required but unable to determine EURIBOR for the relevant Interest Period, EURIBOR for such Interest Period shall be the EURIBOR as determined on the previous Interest Determination Date.

"**Euroclear**" means Euroclear Bank S.A./N.V. with registered office at 1 Boulevard du Roi Albert II, B - 1210 Brussels, Kingdom of Belgium, as operator of the Euroclear System and any successor thereto.

"**EU Insolvency Regulation**" means

(i) European Council Regulation (EC) No. 1346 of 29 May 2000 with reference to proceedings opened prior to 26 June 2017, and

(ii) European Council Regulation (EU) 848/2015, with reference to proceedings opened after 26 June 2017,

each as amended and supplemented from time to time.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the EC Treaty.

"**Financed Vehicle**" means any passenger car or commercial vehicle financed under a Loan Agreement.

"**Financial Laws Consolidated Act**" means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

"**Foreclosure Proceedings**" means, in respect of the Loan Receivables, any foreclosure proceeding by which the creditor of a Loan Receivable seeks payment of the outstanding amount of such Loan Receivable together with the relevant interest and expenses, pursuant to applicable law.

"**FSMA**" means the Financial Services and Markets Act 2000, as amended and supplemented from time to time.

"**Further Securitisation**" means any further securitisation which may be carried out by the Issuer pursuant to Law 130/99 and in accordance with the Terms and Conditions.

"**Fitch**" means Fitch Ratings Limited or any successor to its rating business.

"**GDPR**" means the General Data Protection Regulation adopted with Regulation (EU) 2016/679, as amended and supplemented from time to time.

"**General Reserve Account**" means the general reserve account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**General Reserve Required Amount**" means, in respect of any Payment Date:

(a) as long as the Aggregate Outstanding Loan Principal Amount is greater than zero on the Determination Date preceding such Payment Date, EUR 5,600,000; and

(b) otherwise, zero.

"**Germany**" means the Federal Republic of Germany.

"**Holder**" means the beneficial owner of a Note.

"**ICSD**" or "**International Central Securities Depositary**" means Clearstream Luxembourg or Euroclear, and "ICSDs" means both Clearstream Luxembourg and Euroclear collectively.

"**Incorporated Terms Memorandum**" means the incorporated terms memorandum entered into on or about the Signing Date, between each of the parties to the Transaction Documents, as amended and supplemented from time to time.

"**Inside Information Report**" means the report to be prepared and delivered by the Servicer pursuant to the Intercreditor Agreement upon the occurrence of any event triggering the existence of any inside information as provided for by points (f) and (g) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

"**Insolvent**" means a Person in respect of which an Insolvency Event occurs or an Insolvency Proceeding has been commenced, as the case may be.

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such

company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by it for the purposes of any Further Securitisation), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (expect a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation.

"**Insolvency Proceedings**" means any applicable proceeding of bankruptcy, liquidation, administration, insolvency, composition, reorganisation and over-indebtedness to which an Obligor may become subject, which has commenced and to which it is necessary to intervene.

"**Instalment**" means, in respect of the Loan Receivables, the Interest Instalments or the Principal Instalments.

"**Institutional Investor**" means any of the following:

(a) an insurance undertaking as defined in point (1) of article 13 of Directive 2009/138/EC;

(b) a reinsurance undertaking as defined in point (4) of article 13 of Directive 2009/138/EC;

(c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (1) in accordance with article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to article 32 of Directive (EU) 2016/2341;

(d) an alternative investment fund manager (AIFM) as defined in point (b) of article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the Union;

(e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of article 2(1) of Directive 2009/65/EC;

(f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that Directive for its management; and

(g) a credit institution as defined in point (1) of article 4(1) of Regulation (EU) No 575/2013 for the purposes of that Regulation or an investment firm as defined in point (2) of article 4(1) of that Regulation.

"**Insurance Company**" means any insurance company which has issued an Insurance Policy from time to time and "**Insurance Companies**" means all of them.

"**Insurance Indemnities**" means, in respect of any Vehicle, the insurance indemnities paid pursuant to any Insurance Policy relating to the relevant Vehicle and "**Insurance Indemnity**" means any of them.

"**Insurance Policies**" means the insurance policies entered into by the Originator or the Obligors, in relation to the Loan Agreements and "**Insurance Policy**" means any of them.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Signing Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

"**Interest Collections**" means the sum of all Collections under the Performing Loan Receivables other than the Principal Collections and the Recovery Collections during the relevant Collection Period.

"**Interest Determination Date**" means the second Business Day prior to the first day of the relevant Interest Period.

"**Interest Period**" means in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) such first Payment Date, and, in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.

"**Investment Company Act**" means the United States investment company act of 1940, as amended and supplemented from time to time.

"**IRAP**" means the regional tax on productive activities.

"**IRES**" means *imposta sul reddito delle società* applied on the corporate taxable income.

"**Irish Security Deed**" means the Irish law security deed of charge and assignment entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

"**ISDA Master Agreement**" means the ISDA 2002 Master Agreement (including the schedule and the Credit Support Annex thereto) dated on or about the Signing Date and made between the Issuer and the Swap Counterparty.

"**Issue Date**" means 3 July 2019.

"**Issuer**" means Silver Arrow Merfina 2019-1.

"**Issuer Accounts**" means the following Issuer's accounts opened on or before the Signing Date with the Account Bank:

(a) Operating Account;

(b) General Reserve Account; and

(c) Swap Collateral Account,

and "**Issuer Account**" means any of them.

"**Issuer's Rights**" mean the Issuer's rights under the Transaction Documents.

"**Italian Bankruptcy Law**" means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

"**Italian Deed of Pledge**" means the Italian law deed of pledge entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

"**Italian Transaction Documents**" means, the Terms and Conditions, the Subscription Agreements, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Loan Receivables Purchase Agreement, the Servicing Agreement, the Incorporated Terms Memorandum, the Subordinated Loan Agreement, the Corporate Services Agreement, the Letter of Undertakings, the Mandate Agreement, the Italian Deed of Pledge.

"**Italy**" means the Republic of Italy.

"**Joint Lead Managers and Joint Bookrunners**" means Société Générale and UniCredit Bank and **Joint Lead Manager and Joint Bookrunner**" means any of them.

"**Judicial Proceedings**" means any judicial proceedings for the collection of the Receivables and enforcement of the related Collateral Security.

"**Junior Noteholder**" means the holder of a Junior Note and Junior Noteholders means all of them.

"**Junior Notes**" means the Class B Notes.

"**Junior Notes Subscriber**" means MBFSI.

"**Junior Notes Subscription Agreement**" means the subscription agreement entered into on or about the Signing Date between the Issuer and the Junior Notes Subscriber, as amended and supplemented from time to time.

"**Law 130/99**" means Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

"**Law 3/2012**" means Law No. 3 of 27 January 2012, as amended and supplemented from time to time.

"**Law 52/91**" means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

"**Law No. 383**" means Law No. 383 of 18 October 2001, as amended and supplemented form time to time.

"**Legal Maturity Date**" means the Payment Date falling in October 2030.

"**Letter of Undertakings**" means the letter of undertakings entered into on or about the Signing Date, between the Issuer, the Sole Quotaholder and the Representative of the Noteholders, as amended and supplemented from time to time.

"**LBBW**" means Landesbank Baden-Württemberg, an institution under public law (*Anstalt des öffentlichen Rechts*) incorporated under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Stuttgart under registration number HRA 12704 and having its registered office at Am Hauptbahnhof 2, 70173 Stuttgart, Germany.

"**Loan Agreements**" means the loan agreements out of which the Loan Receivables arise entered into between the Originator, as lender and the Obligors in relation to the financing of Financed Vehicle(s), in particular, including in the form of standard business terms governing the Originator's relationship with the respective Obligor and "**Loan Agreement**" means any of them.

"**Loan Collateral**" means any (i) security interests in the respective Financed Vehicles securing the Loan Receivables, (ii) any insurance indemnities arising from the insurance policies relating to the Loan Receivables and (iii) any other security interests related to the Loan Receivables.

"**Loan Level Data**" means the loan level data setting out the information required by paragraph (a) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards to be prepared by the Servicer and delivered to the Reporting Entity, on a quarterly basis pursuant to the Servicing Agreement.

"**Loan Receivables**" means all the auto loan claims and rights arising under or otherwise related to the Loan Agreements sold by the Originator to the Issuer under the Loan Receivables Purchase Agreement and identified in the Offer List and "**Loan Receivable**" means any of them.

"**Loan Receivables Purchase Agreement**" means the loan receivables purchase agreement entered into on 14 June 2019 between the Originator and the Issuer, as amended and supplemented from time to time.

"**Loss**" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional adviser to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Stock Exchange**" means Société de la Bourse de Luxembourg.

"**Managers**" means CA-CIB and LBBW, and "**Manager**" means any of them.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders, as amended and supplemented from time to time.

"**Master Definitions Schedule**" means the master definitions schedule set out in the Incorporated Terms Memorandum.

"**Material Adverse Effect**" means in relation to any Person, any effect which results in, or

could reasonably be expected to result in, such Person being Insolvent or otherwise hinders or could reasonably be expected to hinder not only temporarily, the performance of such Person's obligations under any of the Transaction Documents as and when due.

"**MBFSI**" means Mercedes-Benz Financial Services Italia S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Giulio Vincenzo Bona No. 110, 00156 Rome, Italy, share capital of Euro 216,700,000 (fully paid-up), registration with the Companies Register of Rome and Fiscal Code No 02828850582, VAT No. 01123081000, registered under No. 101 in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act.

"**MBI**" means Mercedes-Benz Italia S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Giulio Vincenzo Bona No. 110, 00156 Rome, Italy, share capital of Euro 238,000,000 (fully paid-up), registration with the Companies Register of Rome, Fiscal Code and VAT No. 06325761002.

"**Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

"**Monte Titoli**" means Monte Titoli S.p.A., with registered office at Via Mantegna No. 6, 20124 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

"**Monthly Investor Report**" means the monthly investor report to be prepared by the Calculation Agent under the Cash Allocation, Management and Payment Agreement not later than each Calculation Date which will include, *inter alia*, information on the performance of the Portfolio and the payments under the Priority of Payments.

"**Monthly Report**" means the monthly report to be prepared by the Servicer under the Servicing Agreement not later than each Reporting Date, which will include, *inter alia*, information on the performance of the Portfolio and the information required to be provided by point (e) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

"**Moody's**" means Moody's Investors Service Inc. and any successor to the debt rating business thereof.

"**Most Senior Class of Notes**" means the Class A Notes while they remain outstanding, thereafter the Class B Notes while they remain outstanding.

"**Net Swap Payments**" means the higher of (i) zero; and (ii) the difference of (x) the amounts due by the Issuer to the Swap Counterparty, other than Swap Termination Payments, and (y) the amounts due by the Swap Counterparty to the Issuer, other than Swap Termination Payments.

"**Net Swap Receipts**" means the higher of (i) zero; and (ii) the difference of (x) the amounts due by the Swap Counterparty to the Issuer, other than Swap Termination Payments, and (y) the amounts due by the Issuer to the Swap Counterparty, other than Swap Termination Payments.

"**Noteholders**" means the Holders of the Class A Notes and the Class B Notes collectively, and "**Noteholder**" means any of them.

"**Notes**" means the Class A Notes and the Class B Notes collectively, and "**Note**" means any of them.

"**Obligations**" means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Obligor**" means, in respect of the Loan Receivables, any Persons (including consumers and businesses) to whom the Originator has advanced an auto loan on the terms of the relevant Loan Agreement and "**Obligors**" means all of them.

"**Obligor Notification Event**" means the occurrence of a Servicer Termination Event.

"**Obligor Notification Event Notice**" means the notice to be sent to the Obligors of the Loan Receivable upon the occurrence of an Obligor Notification Event (and subsequent request by the Issuer) (i) notifying them that the Loan Receivables have been assigned by the Originator to the Issuer and (ii) instructing them to make payments to the Operating Account or any other account compliant with the Transaction Document.

"**Offer List**" means the data file identifying the Loan Receivables offered for sale and containing the information in respect of all such receivables and the relevant Loan Agreements set out in, and in the format of attached to the Loan Receivables Purchase Agreement.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means MBFSI.

"**Originator Loan Warranties**" means the representations and warranties given by the Originator in favour of the Issuer in respect of the Loan Receivables and of certain other matters, in each case, pursuant to the Loan Receivables Purchase Agreement and upon the terms and subject to the conditions set out thereunder.

"**Other Issuer Creditors**" means, collectively, the Originator, the Representative of the Noteholders, the Servicer, the Subordinated Lender, the Representative of the Noteholders, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscribers, the Account Bank, the Paying Agent, the Calculation Agent, the Corporate Services Provider, the Swap Counterparty, the Reporting Delegate and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and "**Other Issuer Creditor**" means any of them.

"**Operating Account**" means the operating account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation for the deposit of *inter alia,* the Collections received by the Issuer in accordance with the Servicing Agreement and certain other amounts due to the Issuer pursuant to the Transaction Documents (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**Outstanding Loan Principal Amount**" means with respect to a Loan Receivable on the Cut-Off Date or on any Determination Date, the amount of principal owed by the Obligor under such Loan Receivable.

"**Outstanding Note Principal Amount**" means with respect to any Payment Date, the principal amount of any Note (rounded, if necessary, to the nearest EUR 0.01, with EUR 0.005 being rounded upwards) equal to the initial principal amount of such Note (as at

Issue Date) as, on or before such Payment Date, reduced by all amounts paid in respect of principal on such Note prior to or on such Payment Date.

"**Outstanding Subordinated Loan Principal Amount**" means with respect to any Payment Date, the principal amount of the Subordinated Loan equal to the initial principal amount of such Subordinated Loan as at the Issue Date as, on or before such Payment Date, reduced by the sum of the Subordinated Loan Redemption Amounts paid to the Subordinated Lender prior to such Payment Date.

"**Paying Agent**" means Elavon, any successor thereof or any other Person appointed as replacement paying agent from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Payments Account**" means the payments account opened on or before the Signing Date with the Paying Agent in the name of the latter, into which amounts will be transferred from the Operating Account and the General Reserve Account, in order to fund the payments of the Issuer due on each Payment Date under the applicable Priority of Payments or any successor account.

"**Payment Date**" means, in respect of the first Payment Date, 22 July 2019 and, thereafter, the 20th day of each calendar month, subject to the Business Day Convention.

"**PCS**" means Prime Collateralised Securities (PCS) UK Limited.

"**Performing Loan Receivable**" means a Loan Receivable that is neither a Defaulted Loan Receivable, nor a Delinquent Loan Receivable in respect of which all instalments have been paid.

"**Person**" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"**Portfolio**" means at any time, all the Loan Receivables.

"**Portfolio Information**" means a file of information sent by the Originator and/or the Servicer to the Issuer, including the names and addresses of the Obligors (in an encrypted form) as well as the non-encrypted and non-personal information in respect of the offered Loan Receivables and/or Loan Receivables as set out in the Loan Receivables Purchase Agreement.

"**Post-enforcement Priority of Payments**" means, the order of priority in which the Available Distribution Amount shall be applied by the Representative of the Noteholders on each Payment Date after the service of an Enforcement Notice, in accordance with the priority of payments set out in Condition 6.2 (*Priority of Payments – Post-enforcement Priority of Payments*).

"**Pre-enforcement Priority of Payments**" means, the order of priority in which the Available Distribution Amount shall be applied by the Issuer on each Payment Date prior to the service of an Enforcement Notice, in accordance with the priority of payments set out in Condition 6.1 *(Priority of Payments – Pre-enforcement Priority of Payments)*.

"**Principal Collections**" means the sum of (i) all collections of principal under the Performing Loan Receivables that have been paid during the Collection Period, (ii) all collections of principal under the Performing Loan Receivables that have been prepaid during the Collection Period, excluding Recovery Collections received by the Servicer during the Collection Period and (iii) the Repurchase Price relating to the Collection Period.

"**Priority of Payments**" means either the Pre-enforcement Priority of Payments or the Post-enforcement Priority of Payments (as applicable).

"**Privacy Law**" means the Legislative Decree No. 196 of 30 June 2003, as amended and supplemented from time to time.

"**Privacy Legislation**" means any legislation applicable on data protection, including the GDPR, the Privacy Law and the national legislation implementing the GDPR adopted pursuant to the legislative delegation provided by article 13 of Law No. 163 of 25 October 2017.

"**Prospectus**" means this prospectus dated on or about the Signing Date prepared in connection with the Securitisation and issue by the Issuer of the Notes.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended by Directive 2010/73/EU, and includes, where the context requires, Commission Regulation (EC) No. 809/2004 and any relevant implementing measure in each relevant Member State of the European Economic Area.

"**Purchase Date**" means 14 June 2019.

"**Purchase Price**" the purchase price of EUR 558,664,867.76 payable by the Issuer to the Originator in respect of the Loan Receivables and being equal to the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date.

"**Put Option**" means the option provided for by the Loan Receivables Purchase Agreement, according to which the Issuer may sell to the Originator any Loan Receivables which will prove not to satisfy the Eligibility Criteria as of the Cut-Off Date and any Loan Receivables in respect of which any of the Originator Loan Warranties will prove to be false, incomplete, inaccurate or incorrect in any material respect as of the Purchase Date, subject to and upon the terms and conditions provided thereunder.

"**Qualified Investor**" means any of the following:

(i) entities which are required to be authorised or regulated to operate in the financial markets such as:

  (a) credit institutions;

  (b) investment firms;

  (c) other authorised or regulated financial institutions;

  (d) insurance companies;

  (e) collective investment schemes and management companies of such schemes;

  (f) pension funds and management companies of such funds;

  (g) commodity and commodity derivatives dealers;

  (h) locals;

  (i) other institutional investors; or

(ii) large undertakings meeting two of the following size requirements on a company basis:

(a) balance sheet total equal to or greater than EUR 20,000,000

(b) net turnover equal to or greater than EUR 40,000,000

(c) own funds equal to or greater than EUR 2,000,000; or

(iii) national and regional governments, including public bodies that manage public debt at national or regional level, central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations; or

(iv) other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

"**Quota Capital Account**" means the Euro denominated account opened by the Issuer for the deposit of the Issuer's quota capital equal to EUR 10,000.

"**Rating Agencies**" means DBRS and Moody's.

"**Receivables Expected Maturity Date**" means 31 December 2028.

"**Recovery Collections**" means all amounts received by the Servicer during the relevant Collection Period in respect of, or in connection with, any Loan Receivable after the date such Loan Receivable became a Defaulted Loan Receivable (provided that such Defaulted Loan Receivable has not been written off in total) including, for the avoidance of doubt, Principal, Interest, damages, and any other payment, by or for the account of the relevant Obligor minus all out of pocket expenses paid to third parties and incurred by the Servicer in connection with the collection of the Defaulted Loan Receivable or the enforcement of the related Loan Collateral in line with the Credit and Collection Policy of the Servicer.

"**Reference Banks**" means four major banks in the Euro-zone interbank market selected by the Issuer.

"**Regulation (EU) 462/2013**" means Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009, as amended and supplemented from time to time.

"**Regulation (EU) 1286/2014**" means Regulation (EU) No 1286/2014 of the of the European Parliament and of the Council of 26 November 2014, as amended and supplemented from time to time.

"**Regulation (EU) 2016/1011**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, 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 and entered into force in the European Union, (ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Representative of the Noteholders**" means Zenith Service, any successor thereof or any other Person appointed as replacement representative of the noteholders from time to time in accordance with the Intercreditor Agreement, the Mandate Agreement and the Subscription Agreement.

"**Reporting Date**" means the 4th Business Day preceding the relevant Payment Date.

"**Repurchase Date**" means the date which falls on a Payment Date on which a Loan Receivable is repurchased by the Originator.

"**Reporting Entity**" means the Originator.

"**Repurchase Price**" means the repurchase price to be paid by the Originator to the Issuer in respect of the relevant Loan Receivables to be repurchased on a Repurchase Date, which is equal to the sum of the Outstanding Loan Principal Amounts of such Loan Receivables.

"**Required Principal Redemption Amount**" means prior to the issuance of an Enforcement Notice in respect of any Payment Date, a difference of:

(a) the Aggregate Outstanding Note Principal Amount of all Class A and all Class B Notes on the Payment Date immediately preceding such Payment Date; and

(b) the Aggregate Outstanding Loan Principal Amount of the Loan Receivables on the Determination Date immediately preceding such Payment Date.

"**Required Rating**" means with respect to the Account Bank or any guarantor of the Account Bank, respectively, (i) by Moody's: a short-term rating of "P-1" or a long-term rating of "A2" from Moody's, and (ii) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" or a DBRS Critical Obligations Rating of "A(high)" (or, if its long-term debt rating is not publicly rated by DBRS, but is rated by at least any one of Fitch, Moody's and S&P, the DBRS Equivalent Rating with respect to its long-term debt obligations) from DBRS.

"**Rules of the Organisation of the Noteholders**" means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**S&P**" and "**Standard and Poor's**" means Standard and Poor's Credit Market Services Europe Limited, a subsidiary of the McGraw-Hill Companies, Inc. and any successor to the debt rating business thereof.

"**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; (c) the European Union or (d) the United Kingdom.

"**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).

"**Secured Obligations**" means all of the Issuer's obligations *vis-à-vis* the Secured Parties under the Notes and the Transaction Documents;

"**Secured Parties**" means the Noteholders and the Other Issuer Creditors.

"**Securitisation**" means the securitisation transaction carried out by the Issuer involving the securitisation of the Loan Receivables and the issue of the Notes pursuant to Law 130/99.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

"**Security**" means the security interests created under the Security Documents.

"**Security Deeds**" means the English Security Deed and the Irish Security Deed, collectively.

"**Security Documents**" means the Italian Deed of Pledge, the Security Deeds and any other deed or agreement entered into by the Issuer from time to time, whereby security is granted to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

"**Security Interest**" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Securitisation Regulation**" means 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.

"**Senior Notes Subscription Agreement**" means the subscription agreement entered into by the Issuer, the Originator, the Joint Lead Managers and Joint Bookrunners, the Managers and the Representative of the Noteholders on or about the Signing Date in relation to the Senior Notes, as amended and supplemented from time to time.

"**Servicer**" means MBFSI, any successor thereof or any other Person appointed as replacement servicer from time to time in accordance with the Servicing Agreement.

"**Servicer Shortfall**" means a shortfall in respect of payments of Collections due and payable by the Servicer to the Issuer pursuant to the terms of the Servicing Agreement.

"**Servicer Termination Event**" means the occurrence of any of the following events:

(a) the Originator or the Servicer is Insolvent;

(b) the Originator or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction Document within five (5) Business Days of the date such payment or deposit is required to be made;

(c) the Originator or the Servicer fails to perform any of its material obligations under the Loan Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Representative of the Noteholders; or

(d) any representation or warranty in the Loan Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Originator or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Representative of the Noteholders and has a Material Adverse Effect in relation to the Issuer.

"**Servicing Agreement**" means the servicing agreement entered into on 14 June 2019 between the Issuer and the Servicer, as amended and supplemented from time to time.

"**Servicing Fee**" means the fees to be paid by the Issuer to the Servicer in accordance with the Servicing Agreement.

"**Signing Date**" means 1 July 2019.

"**Silver Arrow Merfina 2019-1**" means Silver Arrow Merfina 2019-1 S.r.l., a vehicle company incorporated in Italy pursuant to Law 130/99 with the legal form of a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*), whose registered office is at Via Vittorio Betteloni No. 2, 20131, Milan, Italy quota capital of Euro 10,000 (fully paid-up), registration with the Companies Register of Milan – Monza – Brianza – Lodi, Fiscal Code and VAT No. 10705930963, registered with the register of the vehicle companies held by the Bank of Italy pursuant to the Bank of Italy's regulation of 7 June 2017, having as its sole corporate object the carrying out of transactions pursuant to article 3 of Law 130/99.

"**Société Générale**" means Société Générale S.A., a *société anonyme* incorporated under the laws of the Republic of France, registered in the Paris Trade Register under registration no. 552 120 222 with its registered office at 29 Boulevard Haussmann, 75009 Paris, Republic of France, acting through its London branch and namely, its Société Générale Corporate and Investment Bank department, at SG House, 41 Tower Hill, London EC3N 4SG, United Kingdom.

"**Sole Quotaholder**" means 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.

"**Solvency II Regulation**" means Regulation (EU) no. 35/2015, as amended and/or supplemented from time to time.

"**STS Notification**" means the notification made by the Originator to ESMA in accordance with article 27 of the Securitisation Regulation explaining how the Securitisation meets the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation.

"**STS-securitisation**" means a securitisation meeting the requirements of articles 19 to 22 of the Securitisation Regulation.

"**Subordinated Lender**" means MBFSI, any successor thereof or any other Person appointed as replacement subordinated lender from time to time in accordance with the Subordinated Loan Agreement.

"**Subordinated Loan**" means the subordinated loan granted on or before the Issue Date by the Subordinated Lender to the Issuer in an amount of EUR 5,600,000 the proceeds of which have been used to fund the initial endowment of the General Reserve Account.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on or about the Signing Date, between the Issuer and the Subordinated Lender, as amended and supplemented from time to time.

"**Subordinated Loan Redemption Amount**" means,

(i) on any Payment Date, the difference of

(e) the General Reserve Required Amount on the previous Payment Date; and

(f) the General Reserve Required Amount on the current Payment Date.

(ii) on the Cancellation Date, the outstanding amount of the Subordinated Loan.

"**Subscribers**" means the Joint Lead Managers and Joint Bookrunners, the Managers and the Junior Notes Subscriber, collectively and "**Subscriber**" means each of them.

"**Subscription Agreements**" means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively, and "**Subscription Agreement**" means any of them.

"**Successor Servicer**" means the entity appointed as successor servicer pursuant to the Servicing Agreement in the event the appointment of the Servicer is terminated for any reasons.

"**Supervisory Regulations for the Banks**" means (i) the "*Istruzioni di Vigilanza per le banche*" issued by the Bank of Italy by Circular No. 229 of 21 April 1999; and (ii) the "*Nuove disposizioni di vigilanza prudenziale per le banche*" issued by the Bank of Italy through Circular No. 263 of 27 December 2006, in each case, as amended and supplemented from time to time, including pursuant to the Regulation (EU) No. 575/2013 and Directive 2013/36/EU (the so-called CRR and CRD IV) and circular No. 285 of 17 December 2013.

"**Supervisory Regulations for Financial Intermediaries**" means the "*Istruzioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy through Circular No. 288 of 3 April 2015, as amended and supplemented from time to time.

"**Swap Agreement**" means the swap agreement, entered into on or about the Signing Date between the Issuer and the Swap Counterparty pursuant to the ISDA 2002 Master Agreement, a rating compliant schedule, a related Credit Support Annex and a confirmation, as amended and supplemented from time to time.

"**Swap Collateral Account**" means the swap collateral account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**Swap Counterparty**" means CA-CIB, any successor thereof or any other Person appointed as replacement swap counterparty from time to time in accordance with the Swap Agreement.

"**Swap Notional Amount**" means on any Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the previous Payment Date or, in the case of the first Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the Issue Date.

"**Swap Termination Payment**" means any amounts due by the Issuer or the Swap Counterparty under the Swap Agreement following a close out netting under Section 6(e) of the ISDA Master Agreement.

"**TARGET2**" means the second generation of the Trans-European Automated Real-time Gross-Settlement Express Transfer System which was launched on 19 November 2007 by the European Central Bank.

"**Terms and Conditions**" means the terms and conditions of the Notes.

"**Transaction Documents**" means the Italian Transaction Documents, the English Transaction Documents and the Irish Security Deed.

"**UCITS Directive**" means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as lastly amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions.

"**UniCredit Bank**" means UniCredit Bank AG, a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares *(Aktiengesellschaft)*, registered with the Commercial Register of the Court of Munich with No. HRB42148, belonging to the UniCredit Banking Group, registered with Code 2008.1 with the Register of the Banking Groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act and having its head office at Kardinal-Faulhaber-Strasse 1, D-80333 Munich, Federal Republic of Germany.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United States**" means, for the purpose of the Securitisation, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"**U.S. Person**" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**Usury Law**" means Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*"), as amended and supplemented from time to time.

"**Variable Return**" means, in relation to the Junior Notes, on each Payment Date, an amount (if any) equal to any residual Available Distribution Amount after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes in accordance with the applicable Priority of Payments.

"**VAT**" means value added tax and any other tax of a similar fiscal nature (instead of or in addition to value added tax) whether imposed in Italy or elsewhere.

"**Zenith Service**" means Zenith Service S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Vittorio Betteloni No. 2, 20131 Milan, Italy, share capital of Euro 2.000.000 (fully paid-up), Fiscal Code and enrolment with the Companies Register of Milan – Monza – Brianza – Lodi, No. 02200990980, registered in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under No. 30, ABI Code 32590.2.

2.2 *Interpretation*

In these Terms and Conditions, unless otherwise specified or unless the context otherwise requires:

(a) the exhibit hereto constitutes an integral and essential part of these Terms and Conditions and shall have the force of and shall take effect as covenants; and

(b) headings and subheadings are for ease of reference only and shall not affect the construction of these Terms and Conditions.

3. FORM, TITLE, DENOMINATION AND SELLING RESTRICTIONS

3.1 *Form*

The Notes are issued in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli, in accordance with article 83-*bis* of the Financial Laws Consolidated Act, through the authorised institutions listed in article 83-*quater* of such Financial Laws Consolidated Act.

3.2 *Title*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) the Joint Regulation issued by Bank of Italy and CONSOB on 13 August 2018. No physical document of title will be issued in respect of the Notes.

3.3 *Denomination*

The Notes are issued in the denomination of € 100,000 and integral multiples of € 1,000 in excess thereof.

3.4 *Rights arising from the Security Documents*

The rights arising from the Security Documents are included in each Note.

3.5 *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders, the Account Bank, and the Paying Agent shall (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the holder and absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

4. STATUS, PRIORITY AND SEGREGATION

4.1 *Status*

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and the Issuer's Rights, and is subject to payment of the amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding the Notes, the Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a

contratto aleatorio under Italian law and are deemed to accept the consequences thereof, including (but not limited to) the provisions of article 1469 of the Italian Civil Code.

4.2 *Segregation*

4.2.1 By virtue of the operation of article 3 of Law 130/99 and the Transaction Documents, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to Law 130/99). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

4.2.2 In addition, the Notes have the benefit of security over certain monetary rights and claims of the Issuer arising out of certain Transaction Documents created pursuant to the Security Documents.

4.3 *Priority*

In respect of the obligation of the Issuer to pay interest and repay principal in respect of the Notes and pay any Variable Return in respect of the Class B Notes, both prior to and after the service of a Enforcement Notice, subject to the applicable Priority of Payments:

(a) the Class A Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but in priority to the Class B Notes; and

(b) the Class B Notes will rank *pari passu* and rateably without any preference or priority among themselves for all purposes, but subordinated to the Class A Notes.

4.4 *Conflict of interest*

The Intercreditor Agreement and the Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents.

5. COVENANTS

5.1 *Covenants by the Issuer*

For so long as any amount remains outstanding in respect of the Notes, the Issuer shall not, save with prior written consent of the Representative of the Noteholders or as provided in or envisaged by the Transaction Documents:

5.1.1 *Negative pledge*

create or permit to subsist any Security Interest over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its other assets; or

5.1.2 *Restrictions on activities*

(a) without prejudice to Condition 5.2 *(Covenant - Further Securitisations and*

corporate existence), engage in any activity which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage, as well entering into any agreement or document, including any derivative contracts; or

(b) have any *società controllata* (as defined in article 2359 of the Italian Civil Code) or any employees or premises; or

(c) at any time approve, agree, consent to, do, or permit to be done (directly or through agents) any act or thing which may be directly or indirectly materially prejudicial to the interests of the Noteholders; or

(d) own any real estate asset; or

5.1.3 *Dividends or Distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholder, or issue any further shares; or

5.1.4 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person, except:

(a) indebtedness arising under or pursuant to the Transaction Documents;

(b) indebtedness representing (i) fees or expenses payable to its accountants, auditors or legal counsel or directors and (ii) any fees due to the government of Italy from time to time;

(c) taxes;

(d) without duplication of (a) and (b) above, indebtedness on account of incidentals or services supplied or furnished to it; or

(e) any other indebtedness consented to in writing by the Representative of the Noteholders;

provided that all indebtedness incurred by the Issuer in respect of the Securitisation shall be payable in accordance with the applicable Priority of Payments; or

5.1.5 *Merger*

consolidate or merge with any other person or convey or transfer all or substantially all of its properties or assets to any other person; or

5.1.6 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged if such amendment, termination or discharge may negatively affect the interests of the Noteholders, or exercise any powers of consent or waiver pursuant to the terms of such Transaction Documents which may negatively affect the interests of the Noteholders, or permit any party to such Transaction Documents to be released from its obligations, if such release may negatively affect the interests of the Noteholders; or

5.1.7 *Bank Accounts*

have an interest in any bank account other than the Issuer Accounts and the bank account on which its contributed quota capital is deposited and any bank account opened in relation to any Further Securitisation; or

5.1.8 *Statutory Documents*

agree (in so far as is currently permitted) to amend, supplement or otherwise modify its corporate object, its *statuto* or *atto costitutivo* in any manner which is prejudicial to the interests of the Noteholders, except where such amendment, supplement or modification is required by law or by any competent regulatory authority; or

5.1.9 *De-registrations*

ask for de-registration from the register of the vehicle companies held by the Bank of Italy pursuant to the Bank of Italy's Regulation of 7 June 2017, for as long as Law 130/99, the Consolidated Banking Act or any other applicable law or regulation requires companies incorporated pursuant to Law 130/99 to be registered thereon; or

5.1.10 *Centre of Interest*

move its "centre of main interest" (as that term is used in article 3(1) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.11 *Branch outside Italy*

establish any branch or "establishment" (as that term is used in article 2(10) of the EU Insolvency Regulation) outside the Republic of Italy; or

5.1.12 *Corporate records, financial statements and books of account:*

permit or consent to any of the following occurring:

(a) its books and records being maintained with or co-mingled with those of any other person or entity; or

(b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or

(c) its books and records (if any) relating to the Securitisation being maintained with or co-mingled with those relating to any Further Securitisation; or

(d) its assets or revenues being co-mingled with those of any other person or entity,

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(1) separate financial statements in relation to its financial affairs are maintained;

(2) all corporate formalities with respect to its affairs are observed;

(3) separate stationery, invoices and cheques are used;

(4) it always holds itself out as a separate entity; and

(5) any known misunderstandings regarding its separate identity are corrected as

soon as possible; or

5.1.13 *Corporate Formalities*

cease to comply with all necessary corporate formalities; or

5.1.14 *Disposal of assets*

transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant, any option over or any present or future right to acquire all or any part of the Loan Receivables, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation, whether in one transaction or in a series of transactions, other than as provided under the Transaction Documents; or

5.1.15 *US Activities*

engage in any activities in the United States of America (directly or through agents) or derive any income from United States of America sources or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States of America tax principles.

5.2 *Further Securitisations and corporate existence*

5.2.1 Nothing in these Terms and Conditions or the Transaction Documents shall prevent or restrict the Issuer from:

(i) acquiring or financing, pursuant to Law 130/99, by way of separate transactions unrelated to the Securitisation, further portfolios of monetary receivables in addition to the Loan Receivables either from the Originator or from any other entity (the "**Further Portfolios**") or entering into one or more bridge loans for the purposes of purchasing Further Portfolios;

(ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**"); and

(iii) entering into agreements and transactions, with the Originator or any other entity, that are incidental to or necessary in connection with such Further Securitisation, including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"),

provided that:

(A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Loan Receivables or any of the other Issuer's Rights;

(B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect

that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer limited to some or all of the assets comprised in such Further Security;

(C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;

(D) the Rating Agencies are notified thereof;

(E) the Issuer confirms in writing to the Representative of the Noteholders that the actions provided for by paragraph (D) above have been performed and that the terms and conditions of such Further Notes will include:

(i) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and

(ii) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this Condition 5.2.1; and

(F) the Representative of the Noteholders is satisfied that conditions (A) to (E) of this Condition 5.2.1 have been satisfied.

In confirming that conditions (A) to (E) of this Condition 5.2.1 have been satisfied, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the holders of the Notes and may rely on any written confirmation from the Issuer as to the matters contained therein.

5.2.2 None of the covenants in Condition 5.1 (*Covenants by the Issuer*) shall prohibit the Issuer from (i) carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to or (ii) performing its obligations under the Transactions Documents in accordance with their terms.

6. PRIORITY OF PAYMENTS

6.1 *Pre-enforcement Priority of Payments*

Prior to service of an Enforcement Notice and prior to any Payment Date on which the Issuer will early redeem the Notes pursuant to Condition 8.3 *(Redemption, Purchase and Cancellation - Clean-Up Call)* or 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)*, the Available Distribution Amount shall be applied on each Payment Date in making or providing for the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher

priority have been made in full):

(i) *first*, any due and payable taxes owed by the Issuer;

(ii) *second*, *any* due and payable amounts to the Representative of the Noteholders;

(iii) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;

(iv) *fourth*, any due *and* payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (*provided that* the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade);

(v) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes;

(vi) *sixth*, an amount *equal* to the General Reserve Required Amount to the General Reserve Account;

(vii) *seventh*, (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;

(viii) *eighth*, (on a *pro* rata and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes;

(ix) *ninth*, (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;

(x) *tenth*, any due and payable interest amount on the Subordinated Loan;

(xi) *eleventh*, the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero;

(xii) *twelfth*, any indemnity payments due to any party under the Transaction Documents;

(xiii) *thirteenth*, any payments due under the Swap Agreement other than those made under item *fourth* above; and

(xiv) *fourteenth,* the Variable Return (if any) on the Class B Notes.

6.2 *Post-enforcement Priority of Payments*

Following the service of an Enforcement Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 8.3 (*Redemption, Purchase and Cancellation - Clean-Up Call*) or 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*), the Available Distribution Amount shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, any due and payable taxes owed by the Issuer;

(ii) *second*, any due and payable amounts to the Representative of the Noteholders;

(iii) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;

(iv) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (*provided that* the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade);

(v) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Notes (including any Class A Interest Amount accrued but unpaid);

(vi) *sixth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class A Notes until the Aggregate Outstanding Note Principal Amount of the Class A Notes is reduced to zero;

(vii) *seventh*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Notes;

(viii) *eighth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class B Notes until the Aggregate Outstanding Note Principal Amount of the Class B Notes is reduced to zero;

(ix) *ninth*, any due and payable interest amount on the Subordinated Loan;

(x) *tenth*, any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero;

(xi) *eleventh*, any indemnity payments due to any party under the Transaction Documents;

(xii) *twelfth*, any payments due under the Swap Agreement other than those made under item *fourth* above; and

(xiii) *thirteenth*, the Variable Return (if any) on the Class B Notes.

7. INTEREST

7.1 *Accrual of interest*

The Notes will bear interest on their Outstanding Note Principal Amount from (and including) the Issue Date. Interest in respect of the Notes shall accrue on a daily basis and will be calculated on the basis of the actual number of days elapsed and a 360 day year.

7.2 *Payment of interest on Payment Dates*

7.2.1 Interest on the Notes is payable in Euro in arrears on each Payment Date in respect of the Interest Period ending immediately prior thereto in accordance with the applicable Priority of Payments.

7.2.2 Payment of interest in respect of the Notes will be made on the First Payment Date and on each Payment Date thereafter.

7.3 *Interest to cease accrual*

Interest shall cease to accrue on any part of the Outstanding Note Principal Amount of the Notes from (and including) the Legal Maturity Date or any earlier date fixed for redemption

unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal at the rate from time to time applicable to the Notes until the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholders, and (ii) the day on which all such sums have been received by the Representative of the Noteholders or the Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 16 (*Notices*).

7.4 *Rate of interest of the Class A Notes*

7.4.1 The interest rate applicable to the Class A Notes of for each Interest Period (the "**Class A Interest Rate**") shall be the aggregate of:

(a) EURIBOR; and

(b) 0.53 per cent. *per annum.*

where:

"**EURIBOR**" (Euro Interbank Offered Rate) means for the first Interest Period, commencing on the Issue Date, the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one week and (ii) the rate for deposits in Euro for a period of one month, both reference rates appearing on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying inter-bank offered rate quotations of major banks), and for any Interest Period commencing on the first Payment Date and thereafter, the rate for deposits in Euro for a period of one month, such reference rate shown on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01.

With respect to an Interest Determination Date for which EURIBOR does not appear on Reuters Page EURIBOR01 (or its successor page), unless a Base Rate Modification has taken effect in accordance with Condition 7.4.2 (*Rate of interest of the Class A Notes*) on or prior to such Interest Determination Date, EURIBOR will be determined on the basis of the rates at which deposits in EUR are offered by the Reference Banks at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The Paying Agent will request the principal Euro-zone office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotations. If fewer than two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates quoted by major banks in the Euro-zone selected by the Paying Agent at approximately 11.00 a.m., Brussels time, on such Interest Determination Date for loans in EUR for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time to leading European banks.

If the Paying Agent is on any Interest Determination Date unable to determine

EURIBOR for the relevant Interest Period, then the EURIBOR for such Interest Period shall be the EURIBOR as determined on the previous Interest Determination Date,

provided that if the Class A Interest Rate is lower than zero then, for the purpose of calculating the Class A Interest Amount, the Class A Interest Rate shall be deemed zero.

7.4.2 The Servicer may, at any time, request the Issuer and the Representative of the Noteholders to agree, without the consent of the Noteholders, to amend the EURIBOR as referred to in Condition 7.4.1 above (any such amended rate, an "**Alternative Base Rate**") and make such other related or consequential amendments as are necessary or advisable in order to facilitate such change, in particular to Condition 7.4.1 above, (a "**Base Rate Modification**") *provided that* the following conditions are satisfied:

(i) the Servicer, on behalf of the Issuer, has provided the Representative of the Noteholders, the Noteholders and the Swap Counterparty with at least 30 calendar days' prior written notice of any such proposed Base Rate Modification in compliance with Condition 16 (*Notices*) and has certified to the Representative of the Noteholders, the Noteholders and the Swap Counterparty in such notice (such notice being a "**Base Rate Modification Certificate**") that:

(1) such Base Rate Modification is made due to:

(A) a prolonged and material disruption to the EURIBOR, a material change in the methodology of calculating the EURIBOR or the EURIBOR ceasing to exist or be published; or

(B) a public statement by the EURIBOR administrator that it will cease publishing the EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of the EURIBOR); or

(C) a public statement by the supervisor of the EURIBOR administrator that the EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner; or

(D) a public statement by the supervisor of the EURIBOR administrator that means the EURIBOR may no longer be used or that its use is or will be subject to restrictions or adverse consequences; or

(E) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (A), (B), (C) or (D) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(2) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by

the European Central Bank, any regulator in Italy or the EU or any stock exchange on which the Class A Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(B) the EONIA (or any rate which is derived from, based upon or otherwise similar to the foregoing); or

(C) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or

(D) a base rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of the Originator; or

(E) such other base rate as the Servicer reasonably determines;

(ii) the Rating Agencies have been notified of such proposed Base Rate Modification and, based on such notification, the Servicer is not aware that the then current ratings of the Class A Notes would be adversely affected by such Base Rate Modification; and

(iii) the Originator have accepted to bear all fees, costs and expenses (including legal fees) incurred by the Issuer and the Representative of the Noteholders or any other party to the Transaction Documents in connection with such Base Rate Modification.

7.4.3 Notwithstanding Condition 7.4.2 above, no Base Rate Modification will become effective if within 30 days of the delivery of the Base Rate Modification Certificate, (i) the Swap Counterparty does not consent to Base Rate Modification or (ii) Noteholders representing at least 10 per cent. of the Outstanding Note Principal Amount of the Class A Notes have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which the Class A Notes are held) that they do not consent to the Base Rate Modification (a "**Noteholder Base Rate Consent Event**"). Objections made in writing other than through the applicable Clearing System must be accompanied by evidence, to the satisfaction of the Representative of the Noteholders (having regard to prevailing market practices) of the relevant Noteholder's holding of the Class A Notes.

7.4.4 If a Noteholder Base Rate Consent Event occurs, the Base Rate Modification will not become effective unless a Resolution of the holders of the Class A Notes is passed in favour of the Base Rate Modification in compliance with the Rules of the Organisation of the Noteholders. The Servicer on behalf of the Issuer will notify the Representative of the Noteholders and the Swap Counterparty on the date when the Base Rate Modification takes effect in compliance with Condition 16 (*Notices*).

7.5 *Rate of interest of the Class B Notes*

The interest rate applicable to the Class B Notes of for each Interest Period (the "**Class B Interest Rate**") shall be 1 per cent. *per annum*.

7.6 *Variable Return of the Class B Notes*

In addition to the Class B Interest provided for by Condition 7.5 (*Rate of Interest of the Class B Notes*), the Class B Noteholders shall be entitled, for each Interest Period, to the payment of the Variable Return (if any) which will payable on each Payment Date in accordance with the applicable Priority of Payments.

7.7 *Calculation of Interest Amounts*

7.7.1 In respect of the Class A Notes, on each Interest Determination Date, upon determination of the Class A Interest Rate, the Paying Agent shall determine the Euro amount payable as interest on each Class A Note in respect of such Interest Period (the "**Class A Interest Amount**"). The Class A Interest Amount payable on each Class A Note in respect of any Interest Period shall be calculated multiplying (i) the Class A Interest Rate by (ii) the Outstanding Note Principal Amount of the relevant Class A Note on the preceding Payment Date (or, in the case of the Initial Interest Period, the Issue Date), and by (iii) the actual number of days in the Interest Period divided by 360 ("**Day Count Fraction**"), and rounding the resultant figure to the nearest cent (half a cent being rounded up); and

7.7.2 In respect of the Class B Notes, on each Interest Determination Date, upon determination of the Class B Interest Rate, the Paying Agent shall determine the Euro amount payable as interest on each Class B Note in respect of such Interest Period (the "**Class B Interest Amount**"). The Class B Interest Amount payable on each Class A Note in respect of any Interest Period shall be calculated by multiplying (i) the Class B Interest Rate by (ii) the Outstanding Note Principal Amount of the relevant Class A Note on the preceding Payment Date (or, in the case of the Initial Interest Period, the Issue Date), and by (iii) the actual number of days in the Interest Period divided by 360 ("**Day Count Fraction**"), and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.8 *Calculation of Variable Return of the Class B Notes*

The Calculation Agent will, on the Determination Date immediately preceding each Payment Date, in relation to each Interest Period, calculate any Variable Return that may be payable in respect of the Class B Notes on each such Payment Date. The Variable Return (if any) payable in respect of each Class B Note on each Payment Date shall be a pro rata share of the aggregate amount (if any) to be available for payment of such Variable Return on such date, calculated with reference to the ratio between (A) the then Outstanding Note Principal Amount of such Class B Note and (B) the then Outstanding Note Principal Amount of all the Class B Notes (rounded down to the nearest cent).

7.9 *Notice of Class A Interest Rate, Class B Interest Rate, Class A Interest Amount, Class B Interest Amount and Variable Return*

7.9.1 The Paying Agent will cause the Class A Interest Rate, the Class B Interest Rate, the EURIBOR, the Class A Interest Amount and the Class B Interest Amount (the "**Interest Amounts**") applicable to the Notes of each Class for each Interest Period and the Payment Date in respect of such Interest Amounts to be notified promptly after determination (and in any event no later than the first day of each relevant Interest Period) to the Issuer, the Servicer, the Originator, the Representative of the Noteholders, the Arranger, the Account Bank, the Calculation Agent, the Corporate Services Provider, Monte Titoli and the Noteholders, in accordance with Condition 16 *(Notices)*.

7.9.2 The Calculation Agent will cause any Variable Return payable in respect of the Class B Notes to be notified on each Calculation Date through the Monthly Investor Report to, *inter alios*, the Issuer, the Servicer, the Originator, the Representative of the Noteholders, the Account Bank, the Corporate Services Provider, the Paying

Agent, the Arranger, Monte Titoli and the Junior Noteholders, in accordance with Condition 16 *(Notices)*.

7.10 *Interest Amount Arrears*

7.10.1 If, subject to and upon receipt of the Monthly Investor Report from the Calculation Agent, the Paying Agent determines that on a Payment Date any Interest Amounts in respect of the Notes will not be paid on its due date and will remain unpaid, (the "**Interest Amount Arrears**"), then, no later than the Business Day prior to such Payment Date, notice to this effect will be promptly given by the Paying Agent to Monte Titoli and the Noteholders, in accordance with Condition 16 (*Notices)*.

7.10.2 In the event that on any Payment Date, there are any Interest Amounts Arrears, such Interest Amount Arrears will be aggregated with the amount of interest due and payable on the Notes on the immediately succeeding Payment Date.

7.11 *Determination by the Representative of the Noteholders*

7.11.1 If at any time, for whatsoever reason, the Paying Agent does not determine the EURIBOR, the Class A Interest Rate, the Class B Interest Rate and/or calculate the Interest Amounts in respect of the Notes in accordance with the foregoing provisions of this Condition 7 *(Interest)*, then the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders shall:

(i) determine the Class A Interest Rate and the Class B Interest Rate in accordance with Condition 7.4 (*Interest - Rate of Interest of the Class A Notes*) and Condition 7.5 (*Interest - Rate of Interest of the Class B Notes*) or, to the extent not practicable, at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances;

(ii) calculate the Interest Amounts for the Notes in the manner specified in Condition 7.6 (*Interest - Calculation of Interest Payment Amounts*) above; and/or

(iii) calculate the Interest Amount Arrears (if any) for the Notes in the manner specified in Condition 7.9 (*Interest - Interest Amount Arrears*),

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent.

7.11.2 If at any time, for whatsoever reason, the Calculation Agent does not calculate the Variable Return, then the Representative of the Noteholders shall calculate such Variable Return in accordance with Condition 7.7 *(Interest- Calculation of the Variable Return)* and any such determination and/or calculation shall be deemed to have been made by the Calculation Agent.

7.12 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), by the Reference Banks (or any of them), the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Reference Banks, the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders, the Account Bank any other transaction party and the Noteholders and (in such absence as aforesaid) no liability shall attach to the Reference Banks, the Paying Agent, the

Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretion hereunder.

7.13 *Reference Banks and Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks and a Paying Agent. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed, a notice will be published in accordance with Condition 16 (*Notices*).

7.14 *Unpaid interest in respect of the Notes*

Unpaid interest on the Notes shall accrue no interest.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 *Legal Maturity Date*

8.1.1 Unless previously redeemed in full or cancelled in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*), the Notes of each Class are due to be repaid in full at their Outstanding Note Principal Amount, together with all accrued but unpaid Interest thereon, on the Legal Maturity Date.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation - Clean-Up Call*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*).

8.2 *Mandatory Redemption*

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) starting from the First Payment Date and on each Payment Date thereafter, in accordance with this Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), if and to the extent that on each such Payment Dates there will be sufficient Available Distribution Amount which may be applied towards redemption of the Notes pursuant to the Pre-enforcement Priority of Payments.

8.3 *Clean-Up Call*

8.3.1 Unless previously redeemed in full, the Issuer, having given not less than 20 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 16 *(Notices)*, may redeem the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part) at their Outstanding Note Principal Amount, together with all accrued but unpaid interest thereon, starting from the Payment Date (and on each Payment Date thereafter) falling on or after the date which is the earlier of (i) the date on which the Aggregate Outstanding Loan Principal Amount has become lower than 10 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date and (ii) the date on which the Class A Notes are redeemed in full.

8.3.2 Any early redemption of the Notes in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation - Clean-Up Call*) will be made in accordance with the Post-enforcement Priority of Payments and subject to:

(i) the Originator having exercised the Call Option to repurchase all the outstanding Loan Receivables pursuant to the Loan Receivables Purchase Agreement, in accordance with Condition 8.3.3; and

(ii) the Issuer having the necessary funds (not subject to the interests of any person) to discharge in full all of its outstanding liabilities in respect of:

(a) the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part); and

(b) all amounts required to be paid under the Post-enforcement Priority of Payments in priority to or *pari passu* with the amounts described under paragraph (a) above.

8.3.3 The Loan Receivables Purchase Agreement provides in favour of the Originator the Call Option for the repurchase of the Loan Receivables and establishes that if such option is exercised, then the Issuer will exercise its option to early redeem the Notes in accordance with this Condition and use the Repurchase Price received for the Loan Receivables to fund such early redemption.

8.4 *Redemption for Taxation or Unlawfulness*

8.4.1 Unless previously redeemed in full, the Issuer, having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 16 *(Notices)*, may redeem the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part) at their Outstanding Note Principal Amount, together with all accrued but unpaid interest thereon, on any Payment Date falling after the date on which:

(a) the assets of the Issuer in respect of the Securitisation (including the Loan Receivables, the Collections and the other Issuer's Rights) have become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or

(b) either the Issuer or any paying agent appointed in respect of the Class A Notes or any custodian of the Class A Notes has become required to deduct or withhold any amount in respect of such Class A Notes, from any payment of principal or interest on or after 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 by any political sub-division thereof or by any authority thereof or therein or by 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 Class A Notes before the Payment Date following the relevant change in law or interpretation or administration thereof; or

(c) any amounts of interest payable to the Issuer in respect of the Loan Receivables have become required to be deducted or withheld from the Issuer 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 by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or

(d) it has become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents.

8.4.2 Any early redemption of the Notes in accordance with this Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)* will be made in accordance with the Post-enforcement Priority of Payments and subject to the Issuer having the necessary funds (not subject to the interests of any person) to discharge in full all of its outstanding liabilities in respect of

(a) the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part); and

(b) all amounts required to be paid under the Post-enforcement Priority of Payments in priority to or *pari passu* with the amounts described under paragraph (a) above.

8.4.3 In order to fund the early redemption of the Notes in accordance with this Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness)*, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Noteholders) direct the Issuer to, sell the Portfolio or any part thereof, subject to the terms and conditions of the Intercreditor Agreement and the Originator may repurchase the Portfolio (or the relevant part thereof to be sold) pursuant to the Call Option provided for by the Loan Receivables Purchase Agreement.

8.5 *Available Distribution Amount, principal payments and Outstanding Note Principal Amount*

8.5.1 On each Calculation Date, the Servicer shall:

(a) calculate the Available Distribution Amount in respect of the immediately succeeding Payment Date and any amounts due and payable on each such Payment Date under the applicable Priority of Payments;

(b) determine how the Available Distribution Amount shall be applied on the immediately succeeding Payment Date, in accordance with the applicable Priority of Payments;

(c) calculate the Principal Payment Amounts due and payable in respect of the Notes on the immediately succeeding Payment Date, pursuant to the applicable Priority of Payments;

(d) calculate the Outstanding Note Principal Amount of the Notes on the immediately succeeding Payment Date (after deducting any Principal Payment Amount due to be made on such date).

8.5.2 Each determination made by the Servicer of the Available Distribution Amount, any Principal Payment Amount on the Notes, the Outstanding Note Principal Amount of the Notes and any of the other calculation and determination made under Condition 8.5.1, shall in each case, (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

8.5.3 On each Calculation Date, the Calculation Agent, on the basis of the calculations made by the Servicer, shall notify the Principal Payment Amount on the Notes, the Outstanding Note Principal Amount of the Notes and all the other calculations and determinations referred to under Condition 8.5.1 to, *inter alios*, the Issuer, the Originator, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Corporate Services Provider, Monte Titoli and the Noteholders in accordance with Condition 16 (*Notices*).

8.5.4 The principal amount redeemable in respect of each Note (the "**Principal Payment Amount**") shall be a *pro rata* share of the aggregate amount determined in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) to be available for redemption of the Notes on such date, calculated with reference to the *ratio* between (A) the then Outstanding Note Principal Amount of such Note and (B) the then Outstanding Note Principal Amount of all the Notes (rounded down to the nearest cent), *provided that* no such principal payment on the Notes may exceed the Outstanding Note Principal Amount of the relevant Note.

8.5.5 If no Principal Payment Amount on the Notes or Outstanding Note Principal Amount of the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5 (*Issuer Available Funds, principal payments and Outstanding Note Principal Amount*), such Principal Payment Amount on the Notes and Outstanding Note Principal Amount of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer.

8.6 *Notice of redemption*

Any notice of redemption as set out in Condition 8.3 (*Redemption, Purchase and Cancellation – Clean-Up Call*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*) must be given in accordance with Condition 16 (*Notices*) and shall be irrevocable and, upon the service of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*).

8.7 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.8 *Cancellation*

8.8.1 The Notes shall be cancelled on the Cancellation Date, at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.8.2 Upon cancellation the Notes may not be resold or re-issued.

9. NON PETITION AND LIMITED RECOURSE

9.1 *No action*

The Representative of the Noteholders only may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of any obligation of the Issuer deriving from the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of any such obligation or to enforce the Security, save as provided by the Transaction Documents and

the Rules of the Organisation of the Noteholders. In particular, save as expressly permitted by the Transaction Documents and the Rules of the Organisation of the Noteholders, no Noteholder:

(i) shall be entitled to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;

(ii) shall be entitled to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it; *provided that* this Condition 9.1(ii) (*Non Petition and Limited Recourse – No action*) (b) shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an insolvency receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer; or

(iii) shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step that would result in the Priority of Payments not being observed.

9.2 *Non petition*

No Noteholder shall be entitled until the date falling two year plus one day after the date on which all the Notes, and all the asset backed notes issued in the context of any Further Securitisation have been redeemed in full or cancelled, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer, *provided that* this Condition 9.2 shall not prejudice the right of any Noteholder to prove a claim in an insolvency of the Issuer where such insolvency follows the institution of an insolvency proceeding by a third party.

9.3 *Limited recourse obligations of Issuer*

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

(i) each Noteholder will have a claim only in respect of the Available Distribution Amount and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital or any incorporator, quotaholder, officer, director, employee or agent of the Issuer;

(ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Available Distribution Amount, net of any amounts which are due and payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and

(iii) upon the Representative of the Noteholders giving notice to the Issuer and the Noteholders that it has determined that there are no more Available Distribution Amount to be distributed as a result of no additional amount or asset relating to the Portfolio or the Security being available to the Issuer to pay unpaid amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full. The provisions of this Condition 9.3(iii) (*Non Petition and Limited Recourse – Limited Recourse Obligations of Issuer*) are subject to none of the Noteholders objecting to such

determination of the Representative of the Noteholders for reasonably grounded reasons within 30 days from notice thereof. If any Noteholder objects such determination within such term, then the Representative of the Noteholders shall request an independent third party (at the expenses of the Noteholder requesting such verification) to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Security which would be available to pay unpaid amounts outstanding under the Transaction Documents. Such determination shall be definitive and binding for all the Noteholders.

10. PAYMENTS

10.1 *Payments through Monte Titoli, Euroclear and Clearstream*

Payment of principal and interest in respect of the Notes and any Variable Return in respect of the Class B Notes will be credited by the Paying Agent on behalf of the Issuer, according to the instructions of Monte Titoli, to the accounts of those banks and authorised brokers whose Monte Titoli accounts are credited with such Notes and, thereafter, credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the relevant holder of the Notes identified pursuant to Condition 3.5 *(Holder Absolute Owner)* or through Euroclear and Clearstream to the accounts of such holder of such Notes held with Euroclear and Clearstream, in each case, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 *Payments subject to tax laws*

Payment of principal, interest and any Variable Return in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Variation of Paying Agent and of Calculation Agent*

The Issuer will be entitled at any time, subject to the prior written approval of the Representative of the Noteholders, to vary or terminate the appointment of the Paying Agent and/or the Calculation Agent and to appoint a substitute Paying Agent and/or Calculation Agent, as the case may be, in accordance with the terms of the Cash Allocation, Management and Payment Agreement. The Issuer will cause at least 30 days' prior notice of any replacement of the Paying Agent and/or the Calculation Agent to be given in accordance with Condition 16 (*Notices*), except in case any such replacement is caused by the insolvency of the relevant agent.

11. TAXATION

All payments in respect of the Notes 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 Deduction 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 holder of Notes on account of such withholding or deduction.

12. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and

shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

13. ENFORCEMENT EVENTS

13.1 *Enforcement Events*

The occurrence of any of the following events shall constitute an Enforcement Event:

(i) an Insolvency Event occurs in respect of the Issuer;

(ii) in accordance with the Pre-enforcement Priority of Payments, a default occurs in the payment of interest on any Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within two (2) Business Days of its occurrence); or

(iii) the Issuer fails to perform or observe any of its other material obligations under the Terms and Conditions or the Transaction Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Representative of the Noteholders.

13.2 *Enforcement Notice*

Upon the occurrence of an Enforcement Event, the Representative of the Noteholders,

(a) in the case of an Enforcement Event under (i), and (ii) above, shall; and/or

(b) in the case of an Enforcement Event under (iii) above may or, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, shall

serve an Enforcement Notice to the Issuer. Upon the service of an Enforcement Notice, the Available Distribution Amount shall be applied in accordance with Condition 6.2 *(Priority of Payments - Post-enforcement Priority of Payments)*.

14. ACTIONS FOLLOWING THE SERVICE OF AN ENFORCEMENT NOTICE

14.1 *Actions of the Representative of the Noteholders*

At any time after an Enforcement Notice has been served, the Representative of the Noteholders may (or shall, if so requested or authorised by an Extraordinary Resolution of the Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.2 (*Priority of Payments - Post-enforcement Priority of Payments*).

14.2 *Notifications, Determinations and Liability of the Representative of the Noteholders*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13 (*Enforcement Events*) or this Condition 14 (*Actions following the service of an Enforcement Notice*) by the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

14.3 *Actions against the Issuer*

Without prejudice to Condition 9.2(ii) (*Non Petition and Limited Recourse – No action*) and save as provided in these Terms and Conditions and the Rules of the Organisation of the Noteholders, no Noteholder shall be entitled to proceed directly against the Issuer.

14.4 *Limited claims against the Issuer*

If, following the service of an Enforcement Notice, the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under these Terms and Conditions and the Intercreditor Agreement, if the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the Noteholders' rights in respect of the entire Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith, then the Noteholders' claims against the Issuer will be limited to their *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Notes will be finally and definitively cancelled.

14.5 *Disposal of the Portfolio*

Following the service of an Enforcement Notice, (i) the Issuer may (subject to the consent of the Representative of the Noteholders) or (ii) the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Noteholders) direct the Issuer to, dispose of the Portfolio or any part thereof, subject to the terms and conditions of the Intercreditor Agreement, *provided that* the Originator shall have a pre-emption right for the purchase of the Portfolio (or the relevant part thereof to be sold).

15. THE REPRESENTATIVE OF THE NOTEHOLDERS

15.1 *The Organisation of the Noteholders*

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

15.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders, for so long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who has been appointed at the time of the issue of the Notes by the Subscribers, in their capacity as initial holders of the Notes, subject to and in accordance with the terms of the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

16. NOTICES

16.1 *Notices through Monte Titoli*

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given through the systems of Monte Titoli.

16.2 *Notices in Luxembourg*

As long as the Class A Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to Class A Noteholders shall also be published by the Issuer on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above. It remains understood that any notice send in accordance with this Condition will be sent also for the purpose of Directive 2004/109/CEE.

So long as the Class B Notes are fully held by the Junior Notes Subscriber, notices to the Class B Noteholders shall be deemed to have been validly given if sent or delivered to the address, the fax number and/or e-mail account specified in respect of the Junior Notes Subscriber in the Junior Notes Subscription Agreement and in accordance with the terms provided thereunder.

Alternative methods of notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing.

17. GOVERNING LAW AND JURISDICTION

17.1 *Governing law of the Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by and will be construed in accordance with Italian law.

17.2 *Governing law of the Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them are governed by and will be construed in accordance with Italian law, save for (i) the Swap Agreement and the English Security Deed which are governed by English law and (ii) the Irish Security Deed which is governed by Irish law.

17.3 *Jurisdiction*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes.

EXHIBIT

TO THE TERMS AND CONDITIONS

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

1. GENERAL

1.1 Establishment

The Organisation of the Noteholders is created concurrently with the issue by Silver Arrow Merfina 2019-1 S.r.l. ("**Silver Arrow Merfina 2019-1**" or the "**Issuer**") of and subscription on the Issue Date for the EUR 500,000,000 Class A Asset-Backed Floating Rate Notes due 2030 (the "**Class A Notes**") and the EUR 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return Notes due 2030 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**") and is governed by the Rules of the Organisation of the Noteholders set out therein (the "**Rules**").

1.2 Validity

The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 Integral part of the Notes

The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules, the terms set out below have the following meanings:

Basic Terms Modification means any proposal:

(a) to change the date of maturity of the Notes;

(b) to change any date fixed for the payment of principal, interest or Variable Return in respect of the Notes;

(c) to reduce or cancel the amount of principal, interest or Variable Return due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity (including, without limitation, any amendment to the definitions used in the Transaction Documents which has such effect but excluding a Base Rate Modification);

(d) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(e) to change the currency in which payments due in respect of the Notes are payable;

(f) to alter the priority of payments of interest, Variable Return or principal in respect of any of the Notes;

(g) to effect the exchange, conversion or substitution of the Notes for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(h) to resolve on the matter set out in Condition 9.1 (*No action*);

(i) to resolve upon the giving of the required consents for the realisation of a Further Securitisation by the Issuer pursuant to Condition 5.2 (*Further Securitisations and corporate existence*); or

(l) to appoint and remove the Representative of the Noteholders in accordance with Article 28 (*Appointment, Removal and Remuneration*);

(k) a change to this definition.

Blocked Notes means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

Block Voting Instruction means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system and will not be

released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions.

Chairman means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

Class means any of the Class A Notes and the Class B Notes and **Classes** means the Class A Notes and the Class B Notes collectively.

Conditions means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered **Condition** is to the corresponding numbered provision thereof.

Enforcement Event means any of the events described in Condition 13.1 (*Enforcement Events*) of the Conditions.

Enforcement Notice means a notice described as such in Condition 13.2 (*Enforcement Notice*) of the Conditions.

Extraordinary Resolution means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules to resolve on the objects set out in Article 19 (*Extraordinary Resolutions*).

Holder in respect of a Note means the ultimate owner of such Note.

Meeting means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

Monte Titoli means Monte Titoli S.p.A..

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with articles 83-bis *et seq*. of the Financial Laws Consolidation Act.

Monte Titoli Mandate Agreement means the agreement entered between the Issuer and Monte Titoli (*Request for Services*).

Most Senior Class of Notes means the Class A Notes while they remain outstanding, thereafter the Class B Notes while they remain outstanding.

Most Senior Class of Noteholders means the holders of the Most Senior Class of Notes.

Ordinary Resolution means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules to resolve on the objects set out in Article 18 (*Ordinary Resolutions*).

Proxy means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

Resolutions means Ordinary Resolutions and Extraordinary Resolutions collectively.

Specified Office means (i) with respect to the Paying Agent (a) the office specified against its name in the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with the Cash Allocation, Management and Payment Agreement and (ii) with respect to any additional or other Paying Agent appointed pursuant to

Condition 10.4 (*Variation of Paying Agent and of Calculation Agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (*Variation of Paying Agent and of Calculation Agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

Transaction Party means any person who is a party to a Transaction Document.

Voter means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Paying Agent or a Proxy named in a Block Voting Instruction.

Voting Certificate means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the Joint Regulation issued by CONSOB and the Bank of Italy on 13 August 2018; or

(b) a certificate issued by the Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

Written Resolution means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders of the relevant Class or Classes.

24 hours means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

48 hours means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an **Article** shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2.3 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.4 Any reference to any person defined as a **Transaction Party** in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Membership

Each Noteholder is a member of the Organisation of the Noteholders.

3.2 Purpose

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Participation in Meetings

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Blocked

Voting Instruction at the specified office of the Paying Agent not later than 24 hours before the relevant Meeting.

4.2 **Issue**

4.2.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the Joint Regulation issued by CONSOB and the Bank of Italy on 13 August 2018.

4.2.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.3 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.4 **Deemed holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by the Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.5 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.6 **Reference s to the blocking or release**

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the Outstanding Note Principal Amount of the outstanding Notes of the relevant Class or Classes.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Time and place of Meetings**

Subject to what is provided for in Article 7.1 (*Notice of meeting*), every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Meeting may be held where there are Voters located at different places connected via audio-conference or video conference, provided that:

(a) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(b) the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

(c) each Voter attending, via audio-conference or video-conference may follow and intervene in the discussion and vote the items on the agenda in real time;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment, and

(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. NOTICE

7.1 Notice of meeting

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the date (falling no later than 30 days after the date of delivery of such notice), time and place (being in the European Union) of the Meeting, must be given by the Representative of the Noteholders or the Issuer, as the case may be, to the relevant Noteholders in accordance with the provisions set out by Condition 16 (*Notices*), the Paying Agent, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Joint Regulation issued by CONSOB and the Bank of Italy on 13 August 2018 and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

(a) subject t to what is provided for under Articles 7.1 (*Notice of Meeting*), 10 (*Adjournment for lack of quorum*) and 11 (*Adjourned Meeting*), the Day, time and place of the Meeting, on first and second call;

(b) Agenda of the Meeting; and

(c) Nature of the Resolution.

7.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Outstanding Note Principal Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

7.4 Documentation Available for Inspection

All documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

8. CHAIRMAN OF THE MEETING

8.1 Appointment of Chairman

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

(a) the Representative of the Noteholders fails to make such nomination; or

(b) the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. QUORUM

9.1 **Quorum**

The quorum (*quorum costitutivo*) at any Meeting convened to vote on:

(a) an Ordinary Resolution, relating to a Meeting of a particular Class or Classes, will be at least 50 per cent. of the Outstanding Note Principal Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or those Classes whatever the Outstanding Note Principal Amount of the Notes then outstanding so held or represented in such Class or Classes;

(b) an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be at least 50 per cent. of the Outstanding Note Principal Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Outstanding Note Principal Amount of the Notes then outstanding so held or represented in such Class or Classes;

(c) an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be at least 75 per cent. of the Outstanding Note Principal Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Outstanding Note Principal Amount of the Notes so held or represented in such Class;

9.2 **Passing of a Resolution**

A Resolution shall be deemed validly passed if voted by the following majorities (*quorum deliberativo*):

(a) in respect of an Ordinary Resolution, a majority of the votes cast; and

(b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

(a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

(b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.3 and 10.4 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place (being in the European Union) and time as the Chairman determines with the approval of the Representative of the Noteholders provided that:

(i) no Meeting may be adjourned more than once for want of a quorum; and

(ii) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (being in the European Union). No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. **NOTICE FOLLOWING ADJOURNMENT**

12.1 **Notice required**

Article 7 (*Notice*) shall apply to any Meeting which is to be adjourned in accordance with the provisions of Article 10 (*Adjournment for want of quorum*) except that:

(a) 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

(a) Voters;

(b) the directors and the auditors of the Issuer;

(c) representatives of the Issuer and the Representative of the Noteholders;

(d) financial advisers to the Issuer and the Representative of the Noteholders;

(e) legal advisers to the Issuer and the Representative of the Noteholders;

(f) any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. **VOTING BY SHOW OF HANDS**

Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Outstanding Note Principal Amount of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. **VOTES**

16.1 **Voting**

Each Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote for each €1,000 in aggregate face amount of outstanding Notes represented or held by the Voter.

16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

16.4 **Votes cast**

The Noteholder can cast their "in favour of" or "against" any proposed Resolution.

The Noteholders that do not intend to cast their votes and abstain from voting shall be ignored and not be included in the computation of the votes cast.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum pursuant to Article 10 (*Adjournment for want of quorum*) shall remain in force in relation to such Meeting when it is resumed. If a Meeting is adjourned pursuant to Article 10 (*Adjournment for want of quorum*), any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

(a) grant any authority, order or sanction which, under the provisions of the Rules and/or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

(b) to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. **EXTRAORDINARY RESOLUTIONS**

19.1 **Object of Extraordinary Resolutions**

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

(a) approve any Basic Terms Modification;

(b) approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

(c) authorise the Representative of the Noteholders to issue an Enforcement Notice as a result of an Enforcement Event pursuant to Condition 13 (*Enforcement Events*);

(d) discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

(e) grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

(f) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(g) waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute an Enforcement Event under the Notes;

(h) appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

(i) authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction and, for the purposes of this Article 19.3 (*Extraordinary Resolution of a single Class*), Class A Notes rank senior to Class B Notes.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19 (*Extraordinary Resolutions*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class B Noteholders;

and in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution (in respect of matters to be determined by Extraordinary Resolution) or as if it were an Ordinary Resolution (in respect of matters required to be determined by Ordinary Resolution).

24. JOINT MEETINGS

Subject to the provisions of the Rules, the Conditions, joint Meetings of the Class A Noteholders, the Class B Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

Notwithstanding the provisions of Articles 19 (*Extraordinary Resolutions*) and 24 (*Joint Meetings*), the following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

(a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

(b) business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

(c) business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 **Individual actions of the Noteholders**

Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Non petition and limited recourse*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

(c) if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

(d) if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

(e) No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.2 **Breach of Condition 9**

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9 (*Non petition and limited recourse*).

26.3 **Exclusive power of the Representative of the Noteholders**

Save as provided in this Article 26, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents, to obtain payment of the obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

27. **FURTHER REGULATIONS**

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. **APPOINTMENT, REMOVAL AND REMUNERATION**

28.1 **Appointment**

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution in accordance with the provisions of Article 19.2 and this Article 28, except for the appointment of the first Representative of the Noteholders which will be Zenith Service S.p.A.

28.2 **Identity of Representative of the Noteholders**

The Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or

(c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code (other than Zenith Service S.p.A. as first Representative of the Noteholders) cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 **Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 **After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment and enters into the Intercreditor Agreement and the other Transaction Documents to which the former Representative of the Noteholders was party, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as agreed in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Terms and Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer (copied to the Noteholders), without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and has entered into the Intercreditor Agreement and the other Transaction Documents to which the former Representative of the Noteholders was party, provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

(a) act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

(b) whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to the above Paragraph (b) of this Article 30.3, may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 Consents given by Representative of Noteholders

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 Discretions

Save as expressly otherwise provided herein, the Representative of the Noteholders shall exercise any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law exclusively upon instructions of the Holders of the Most Senior Class of Notes 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 in accordance with such instructions, except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*) and Article 31.3 (*Specific Permissions*).

30.8 **Enforcement Events**

The Representative of the Noteholders may certify whether or not an Enforcement Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

(a) shall not be under any obligation to take any steps to ascertain whether an Enforcement Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Enforcement Event or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

(c) except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

(d) shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer;

(ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(iii) the suitability, adequacy or sufficiency of any collection procedure 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 Portfolio; and

(v) any accounts, books, records or files maintained by the Issuer, the Servicer and the Paying Agent or any other person in respect of the Portfolio;

(e) 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;

(f) shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(g) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(h) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(i) shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

(j) shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

(k) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

(l) shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

(m) shall not be under any obligation to insure the Portfolio or any part thereof;

(n) shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to the Conditions, on the basis of an opinion formed by it in good faith; and

(o) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of

the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

(a) as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

(b) that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

(c) that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 Resolution or direction of Noteholders

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 Certificates of Monte Titoli Account Holders

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation issued by CONSOB and the Bank of Italy on 13 August 2018, which certificates are to be conclusive proof of the matters certified therein.

32.6 Clearing Systems

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 Certificates of Parties to Transaction Document

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document:

(a) in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

(b) as any matter or fact *prima facie* within the knowledge of such party; or

(c) as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

33. MODIFICATIONS

33.1 Modification

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

(a) any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

(b) any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, after approval of the Most Senior Class of Noteholders, in the opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Most Senior Class of Noteholders then outstanding.

33.2 Binding Notice

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 Modifications requested by the Noteholders

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all losses to which it may thereby render itself liable or which it may incur by so doing.

34. WAIVER

34.1 Waiver of Breach

The Representative of the Noteholders may at any time, and from time to time, upon instructions of, or sanction by, the Holders of the Most Senior Class of Notes then outstanding and without prejudice to its rights in respect of any subsequent breach, condition, event or act:

(a) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Conditions or any of the Transaction Documents; or

(b) determine that any Enforcement Event shall not be treated as such for the purposes of the Transaction Documents.

34.2 Binding Nature

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 Restriction on powers

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

(a) shall affect any authorisation, waiver or determination previously given or made; or

(b) shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 Notice of waiver

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the Conditions relating to notices and the relevant Transaction Documents.

35. **SECURITY DOCUMENTS**

35.1 **The Security Documents**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Security Documents. The beneficiaries of the Security Documents are referred to in this Article 35 as the "**Secured Noteholders**".

35.2 **Rights of Representative of the Noteholders**

The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to:

(a) appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims and/or the charged assets to make the payments related to such claims to the Operating Account or to any other account opened in the name of the Issuer and appropriate for such purpose;

(b) attest that the account(s) to which payments have been made in respect of the pledged receivables shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement. For such purpose and until an Enforcement Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Noteholders, shall appoint the Issuer to manage the Issuer Accounts in compliance with the Cash Allocation, Management and Payment Agreement;

(c) procure that all funds credited to the relevant Issuer Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and

(d) procure that the funds from time to time deriving from the pledged receivables and the amounts standing to the credit of the relevant Issuer Accounts are applied towards satisfaction not only of the amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders according to the applicable Priority of Payments set forth in the Conditions, and to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Secured Noteholders.

35.3 **Waiver of the Secured Noteholders**

The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Issuer Accounts or to any other account opened in the name of the Issuer and appropriate of such purpose which is not in accordance with the provisions of this Article 35.

35.4 **Limitation of the Rights**

The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Documents except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

36. **INDEMNITY**

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents.

37. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

38. **POWERS**

It is hereby acknowledged that, upon service of an Enforcement Notice or prior to the service of an Enforcement Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

39. GOVERNING LAW

These Rules and all non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of the Republic of Italy.

40. JURISDICTION

The Courts of Milan will have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules.

SUMMARY OF THE TRANSACTION DOCUMENTS

1. LOAN RECEIVABLES PURCHASE AGREEMENT

General

Pursuant to the Loan Receivables Purchase Agreement, the Originator has sold to the Issuer, and the Issuer purchased from the Originator, the Loan Receivables on the Purchase Date, in accordance with Law 130/99.

The legal effects of the sale of the Loan Receivables shall run from the Purchase Date, whilst the relevant economic effects shall run from the Cut-off Date.

The Portfolio has been selected as of the Cut-Off Date and transferred to the Issuer on the Purchase Date.

The Loan Receivables purchased by the Issuer shall meet all the Eligibility Criteria as at the Cut-Off Date.

Furthermore, the sale of the Loan Receivables has been without recourse (*pro soluto*). This means that the Originator shall neither be liable for the collectability of such Loan Receivables, nor for the solvency of the Obligors.

The sale of the Loan Receivables has been regulated by the combined provisions of articles 1 and 4 of Law 130/99, be made not "in block" and has been perfected and made enforceable against any third party creditors of the Originator by publishing on 22 June 2019 a simplified notice of sale on the Official Gazette of the Republic of Italy, i.e. indicating the names of the seller (MBFSI) and of the purchaser (the Issuer), as well as the date of the sale thereof (i.e. Official Gazette, Part II, No. 73, of 22 June 2019).

Such publication has also triggered, *inter alia*, the perfection of the statutory segregation over the relevant assigned Receivables in favour of the Noteholders. For further details, see the section entitled *"Selected aspects of Italian Law"*.

Pursuant to Italian law, the notification to the Obligors of the assignment of the Loan Receivables to the Issuer is not necessary in order to perfect the transfer of the legal title to such Loan Receivables from the Originator to the Issuer. Such notification is necessary to make the assignment of the Loan Receivables enforceable against the Obligors and will be made only following the occurrence of an Obligor Notification Event (and subsequent request by the Issuer). For further details, see the section entitled *"Servicing Agreement - Notification of assignment of the Loan Receivables to the Obligors"*.

Purchase Price

The Purchase Price payable by the Issuer to the Originator in respect of the Loan Receivables is equal to EUR 558,664,867.76, representing the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date. Such Purchase Price will be paid out of the net proceeds deriving from the issue of the Notes on the Issue Date, in accordance with and subject to the terms of the Loan Receivables Purchase Agreement.

No interest shall accrue on any amount due as Purchase Price in respect of the Loan Receivables sold to the Issuer.

Originator Loan Warranties and the Eligibility Criteria relating to Loan Receivables

The Originator has given certain representations and warranties in favour of the Issuer in relation to the Loan Receivables on the terms set out in the Incorporated Terms Memorandum.

Moreover, the Originator has represented and warranted that all the Loan Receivables have been identified and selected by it so that each of them satisfied all the Eligibility Criteria as of the Cut-Off Date.

Put Option

Should it appear after the Purchase Date that, in respect of any Loan Receivable, any of the Eligibility Criteria was not satisfied as of the Cut-Off Date or any of the Originator Loan Warranties prove to be false, incomplete, inaccurate or incorrect in any material respect as of the Purchase Date, then any such Loan Receivables will be capable of being retransferred by the Issuer to the Originator pursuant to the Put Option.

The repurchase price due and payable by MBFSI to the Issuer for any Loan Receivable retransferred pursuant to the Put Option shall be equal to the relevant Outstanding Loan Principal Amount of such Loan Receivables calculated with reference to the relevant date of repurchase.

Call Option in respect of the Portfolio

The Issuer has granted to the Originator the Call Option in accordance with article 1331 of the Italian Civil Code pursuant to which the Originator may repurchase from the Issuer all the Loan Receivables outstanding and not already collected starting from the earlier of:

(a) the date on which the Aggregate Outstanding Loan Principal Amount is less than 10 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date; or

(b) the date on which the Class A Notes are redeemed in full; or

(c) the date on which the Issuer, the Representative of the Noteholders or the Noteholders resolve upon the sale of the Portfolio under the terms of the Intercreditor Agreement in order to fund the early redemption of the Notes under Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*).

The repurchase price due and payable by MBFSI to the Issuer for any Loan Receivable retransferred pursuant to the Call Option shall be equal to the relevant Outstanding Loan Principal Amount of such Loan Receivables calculated with reference to the relevant date of repurchase.

The Originator shall be entitled to exercise the Call Option subject to the following conditions being satisfied:

(i) the Repurchase Price plus the funds credited to the General Reserve Account and to the Operating Account being sufficient to allow the Issuer to discharge in full all of its outstanding liabilities in respect of

  (a) the Class A Notes (in whole but not in part) and the Class B Notes (in whole or, subject to the Class B Noteholders' consent, in part); and

  (b) all amounts required to be paid under the Post-enforcement Priority of Payments in priority to or *pari passu* with the amounts described under paragraph (a) above; and

(ii) any authorisation, consent and approval required by any applicable law or regulations for the exercise of the Call Option having been obtained.

If the Originator exercises the Call Option, then the Issuer undertakes to exercise its option to early redeem the Notes in accordance with the Terms and Conditions and use the funds paid by the Originator as Repurchase Price for the Loan Receivables in order to effect such early redemption; *provided that* an early redemption of the Notes shall be excluded if the call option associated with

that early redemption does not fully satisfy German and Italian regulatory requirements (applicable from time to time) in respect of clean up calls.

Call Option in respect of Defaulted Loan Receivables

The Issuer has granted to the Originator an option in accordance with article 1331 of the Italian Civil Code pursuant to which the Originator has the right (but not the obligation) to repurchase from the Issuer individual Defaulted Loan Receivables insofar as their repurchase is necessary or advisable so as to facilitate their recovery and liquidation process ("**Defaulted Receivables Call Option**").

The repurchase price due and payable by MBFSI to the Issuer for any Defaulted Loan Receivable retransferred pursuant to the Defaulted Receivables Call Option shall be equal to the relevant Outstanding Loan Principal Amount of such Defaulted Loan Receivable as at the date on which such Loan Receivable is classified as Defaulted Loan Receivable.

The Originator cannot exercise the Defaulted Receivables Call Option if the aggregate Outstanding Loan Principal Amount of the Defaulted Loan Receivables already repurchased by the Originator is higher than 5% of the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date.

Taxes and Increased Costs

All payments to be made by the Originator to the Issuer pursuant to the Loan Receivables Purchase Agreement will be made free and clear of and without deduction for or on account of any tax. The Originator will reimburse the Issuer for any deductions or retentions which may be made on account of any tax. The Originator will be entitled to raise defences against the relevant payment at the Originator's own costs.

Where the Issuer has received a credit against a relief or remission for, or repayment of, any tax, then if and to the extent that the Issuer determines that such credit, relief, remission or repayment is in respect of the deduction or withholding giving rise to such additional payment or with to the liability, expense or Loss) which caused such additional payments, the Issuer will, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Originator such amount as the Issuer will have concluded to be attributable to such deduction or withholding or, as the case may be, such liability, expense or Loss, provided that the Issuer will not be obliged to make any such payment until it is, in its sole opinion, satisfied that its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled.

2. **SERVICING AGREEMENT**

General

Pursuant to the Servicing Agreement, the Servicer shall service, collect and administer the Loan Receivables and shall perform all related functions in accordance with the provisions of the Servicing Agreement and the Credit and Collection Policy.

The Servicer will be the *"soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento"* pursuant to article 2, paragraph 3(c) of Law 130/99.

Obligations of the Servicer

The Servicer will act as agent (*mandatario*) of the Issuer under the Servicing Agreement. The duties and responsibilities of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties as set out below (the "**Services**"):

(a) collect any and all amounts payable, from time to time, by the Obligors under or in relation to the Loan Agreements as and when they fall due;

(b) identify the Collections as either Principal Collection or Interest Collection, or, as the case may be, Recovery Collections;

(c) endeavour, at the expense of the Issuer, to seek Recovery Collections due from Obligors in accordance with the Credit and Collection Policy;

(d) keep records in relation to the Loan Receivables which can be segregated from all other records of the Servicer relating to other receivables made or serviced by such Servicer otherwise;

(e) keep records for all taxation purposes;

(f) hold, subject to the provisions of Privacy Legislation, all records relating to the Loan Receivables in its possession in trust for, and to the order of, the Issuer and co-operate with the Representative of the Noteholders or any other party to Transaction Documents to the extent required under or in connection with any of the Transaction Documents;

(g) make available Monthly Reports on each Reporting Date to the Issuer and the Originator with a copy to the Corporate Services Provider, the Calculation Agent, the Representative of the Noteholders, the Arranger and the Rating Agencies;

(h) assist the Issuer's auditors and provide, subject to provisions of Privacy Legislation, information to them upon request;

(i) promptly notify all Obligors following the occurrence of an Obligor Notification Event, or, if the Servicer fails to deliver such Obligor Notification Event Notice within three (3) Business Days after the Obligor Notification Event (and subsequent request by the Issuer), the Issuer shall have the right to instruct a Successor Servicer or the Corporate Services Provider to deliver on its behalf the Obligor Notification Event Notice; and

(j) on or about each Payment Date update the Portfolio Information as described in the Loan Receivables Purchase Agreement and send the updated Portfolio Information to the Issuer;

(k) keep separate accounting records, including in electronic form, relating to the Loan Receivables, the Loan Agreements and the Loan Collateral, ensuring that all the books, records, accounts and documents relating to the Loan Receivables, the Loan Agreements and the Loan Collateral are always clearly identifiable and distinguishable from all other books, records and documents, Loan Agreements or other finance agreements and the relevant security interests in its possession and are clearly identifiable as books, records, accounts and documents belonging to the Issuer; and

(l) maintain and keep updated all books, records, documents, electronic databases and software which are necessary for the creation of a data reporting system (*sistema di segnalazioni dati*) enabling the Issuer to operate in full compliance with all applicable laws and regulations concerning prudential reporting (*sistema di segnalazioni di vigilanza*) and all applicable laws and regulations concerning anti-money laundering.

The Servicer will administer the Loan Receivables in accordance with its standard procedures, set out in the Credit and Collection Policy for the administration and enforcement of its own consumer loans and related collateral, subject to the provisions of the Servicing Agreement and the Loan Receivables Purchase Agreement. The Servicer will perform all the functions related to the administration and servicing of the Portfolio in the same manner and with the same degree of care and diligence as it services its receivables and collateral other than such Loan Receivables and the Loan Collateral. The Servicer will ensure that it has all required licences, approvals, authorisations

and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.

Under the Servicing Agreement, the Servicer is authorised to modify the terms of a Loan Receivable in accordance with the Credit and Collection Policy, *provided that* the last payment due under any Loan Receivable shall fall no later than the Expected Maturity Date and any of such modifications shall comply with the Securitisation Regulation.

Notification of assignment of the Loan Receivables to the Obligors

The Obligors will be notified of the assignment of the Loan Receivables only following the occurrence of an Obligor Notification Event and subsequent request by the Issuer. Such notification shall be made by the Servicer through delivery of the Obligor Notification Event Notice. Should the Servicer fail to do so, within three (3) Business Days of the relevant request, then the Issuer will have the right to instruct the Successor Servicer (if appointed) or the Corporate Services Provider, to deliver on its behalf the Obligor Notification Event Notice.

Delegation

The Servicer may delegate and sub-contract its duties in connection with the performance of the Services, within the limits provided by the Bank of Italy Supervisory Regulations and provided that such third party has all licences required for the performance of the servicing delegated to it. The Servicer will remain liable for any delegation and/or sub-contracting made, also in accordance with article 1228 of the Italian Civil Code and in express derogation of paragraph 2 of article 1717 of the Italian Civil Code.

Servicing Expenses and Reimbursement of Enforcement Expenses

As consideration for the performance of the Services under the Servicing Agreement, the Servicer is entitled to a market standard Servicing Fee as agreed between the Issuer and the Servicer in a separate side letter. The Servicing Fee will be paid by the Issuer in accordance with the applicable Priority of Payments in monthly instalments on each Payment Date with respect to the immediately preceding Collection Period in arrears.

The Servicing Fee will cover any tax including value added tax (if applicable) and all costs, expenses and other disbursements reasonably incurred in connection with the enforcement and servicing of the Performing Loan Receivables and related Loan Collateral as well as the rights and remedies of the Issuer (excluding, for the avoidance of doubt, Defaulted Loan Receivables) and the other Services.

Cash Collection Arrangements

Under the terms of the Servicing Agreement, the Collections received by the Servicer in respect of a Collection Period will be transferred no later than 11:00 a.m. CET of the second Business Day succeeding the Collection Date related to such Collection Period into the Operating Account or as otherwise directed by the Issuer or the Representative of the Noteholders, *provided however* that, if due to any technical problem outside its control the Servicer is not able to transfer any such Collection or Recovery Collection (as the case may be) into the Operating Account within the above mentioned time frame, then it shall be entitled to delay such payment, without any further charges for the Servicer, up to 5 (five) Business Days.

Information and Regular Reporting

The Servicer has undertaken to use all reasonable endeavours to safely maintain records in relation to each Loan Receivable in computer readable form.

The Servicing Agreement requires the Servicer to furnish on each Reporting Date the Monthly Reports to the Issuer and the Originator, with a copy to the Corporate Services Provider, the Rating

Agencies, the Calculation Agent and the Representative of the Noteholders provided that in any event the provisions set forth by the Privacy Legislation shall be observed.

The Servicer has undertaken to prepare, on a quarterly basis, the loan level data setting out the information required by paragraph (a) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards (the "**Loan Level Data**") (see also the section entitled "*Transparency Requirements*").

The Servicer has undertaken to prepare the Monthly Report so as to include, *inter alia*, the information required by paragraph (e) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards (see also the section entitled "*Transparency Requirements*").

The Servicer will also (i) calculate the Available Distribution Amounts in respect of each Payment Date and (ii) determine how such Available Distribution Amounts shall be applied on each such Payment Date, under the applicable Priority of Payments. Such calculations and determinations will be communicated by the Servicer to the Calculation Agent so as to be included by the latter into the Monthly Investor Report.

Duty under the Swap Agreement

Under the Servicing Agreement, the Servicer has undertaken that it will perform, prepare and submit the relevant reports, confirmations, reconciliation and keep the relevant records as required pursuant to the European Market Infrastructure Regulation ("**EMIR**") and its relevant technical standards.

Termination of Loan Agreements and Enforcement

If an Obligor defaults on a Loan Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Loan Receivables Purchase Agreement and the Servicing Agreement in conjunction with the Credit and Collection Policy.

Termination of Appointment of the Servicer

The Issuer may, at any time after the occurrence of a Servicer Termination Event and without prejudice to the Issuer's other rights, by notice in writing to the Servicer, terminate the appointment of the Servicer hereunder and designate as a Successor Servicer any Person entitled to provide such services pursuant to applicable law and to succeed the Servicer. Any termination of the appointment of the Servicer or of a Successor Servicer shall be notified by the Issuer (acting through the Corporate Services Provider) to the Servicer, the Rating Agencies, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agent and the Swap Counterparty. Any termination of the appointment of the Servicer shall be deemed with just cause ("*con giusta causa*") and, accordingly, the Servicer will not have any right to indemnity following or as a result of any such termination.

Under the Intercreditor Agreement, the Calculation Agent has agreed that, upon the occurrence of a Servicer Termination Event, it will facilitate the appointment of a suitable entity available to act as Successor Servicer, in accordance with the terms provided thereunder.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for just cause (*giusta causa*).

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the Successor Servicer the rights and obligations of the outgoing Servicer, the assumption by such Successor Servicer of the obligations of the Servicer under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the appointment of a Successor Servicer, the Servicer will transfer to

such Successor Servicer all records and any and all related material, documentation and information.

Set-off against claims of Mercedes-Benz Financial Services Italia S.p.A.

If Mercedes-Benz Financial Services Italia S.p.A. in its capacity as Servicer has breached any of its obligations under the Servicing Agreement and if as a result of such breach the Issuer has a claim for the payment of damages against MBFSI and such indemnification has become due and payable, then the Issuer will be entitled to set off its indemnification claim(s) against all its payment obligations to MBFSI under, *inter alia*, the Subordinated Loan Agreement (entered into by MBFSI in its capacity as Subordinated Lender) or the Loan Receivables Purchase Agreement (entered into by MBFSI in its capacity as Originator).

3. **INCORPORATED TERMS MEMORANDUM**

Pursuant to the Incorporated Terms Memorandum the parties to the Securitisation have agreed, *inter alia,* upon the definitions and certain common terms to be applicable to all the Transaction Documents and the Issuer, the Servicer and the Issuer have given certain representation and warranties and certain undertakings for the benefit of the other parties.

In particular, the Originator has represented and warranted, *inter alia*, that as of the Purchase Date:

(a) (*Underlying exposures not encumbered)* to the best of its knowledge, the Loan 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.

(b) (*Homogeneous underlying exposures*) the Loan Receivables (i) comply with article 1 (Homogeneity of the underlying exposures in non-ABCP and ABCP STS securitisation) of the draft Regulatory Technical Standards relating to homogeneity and (i) with particular reference to paragraph (d) of such article 1, are homogeneous with reference to the homogeneity factor available for auto loans under article 3(5)(b) (Jurisdiction) of such draft Regulatory Technical Standards as all the Obligors have residence in Italy.

(c) (*Contractually binding and enforceable obligations*) the Loan Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Obligors and, where applicable, the relevant Guarantors.

(d) (*Defined periodic payment streams*) all the Loan Receivables provide monthly instalment payments.

(e) (*Underwriting standards*) all the Loan Receivables have been originated in the ordinary course of the Originator's business pursuant to underwriting standards, being the Credit and Collection Policy, that are no less stringent than those that the Originator applied at the time of origination to similar exposures that are not securitised.

(f) (*Assessment of the borrower's creditworthiness*) it has assessed the Obligors' creditworthiness in accordance with the requirements set out in article 124-bis of the Consolidated Banking Act implementing in Italy the provisions of article 8 of Directive 2008/48/EC.

(g) (*No exposures in default and credit-impaired debtors/guarantors*) none of the Loan Receivables was as at the Cut-off 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 Originator'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 Purchas 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 Originator, the Arranger 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 another credit registry that is available to the Originator; 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 Originator which are not securitised.

(h) (*At least one payment made)* all the Obligors have made at least one payment in respect of the Loan Agreements.

(i) (*Mitigation of interest-rate and currency risks*) the Portfolio does not include derivatives.

(j) (*External verification of the Loan Receivables*) prior to the Issue Date, a representative sample of the Loan 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 Originator. Such external verification included the verification of the compliance of the Loan Receivables with the Eligibility Criteria and the verification of the fact that the data disclosed in any formal offering document in respect of the Loan Receivables are accurate.

(k) (*Centre of main interest*) it has its centre of main interest in the meaning of article 3(1) of the EU Insolvency Regulation in Italy.

Furthermore, the Originator has undertaken:

(a) (*No discretionary active portfolio management*) not to repurchase any of the Loan Receivables, other than as provided for by Clauses 16.1 (*Put Option*) and 16.2 (*Call Option*) of the Loan Receivables Purchase Agreement.

(b) (*Underwriting standards*) to fully disclose to potential investors without undue delay the underwriting standards pursuant to which the Loan Receivables have been originated, being the Credit and Collection Policy, and any material changes from prior underwriting standards.

(c) (*Liability cash flow model*) to make available on an ongoing basis to the Noteholders – *via* Moody's Analytics – and, upon request, to any potential investor in the Notes, an accurate model representing precisely the contractual relationship between the Loan Receivables and the payments flowing between the Originator, the Noteholders, the Issuer and any other party to the Securitisation which shall contain an amount of information sufficient to allow such potential investor to price the Notes.

(d) (*Environmental performance*) where available to the Originator, to include the environmental performance of the Financed Vehicles in the Monthly Report.

In addition, under the Incorporated Terms Memorandum the Servicer:

(a) has represented, *inter alia*, that it has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of the Loan Receivables and similar exposures setting out, *inter alia*, 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 (the "**Servicing Manual**"); and

(b) has undertaken to manage the Loan Receivables in accordance with its Servicing Manual.

4. **SUBORDINATED LOAN AGREEMENT**

Pursuant to the Subordinated Loan Agreement, the Subordinated Lender has granted a loan to the Issuer in an amount equal to EUR 5,600,000 in order to fund the General Reserve Account.

All interest and principal payments to the Subordinated Lender will be funded by the Issuer through the Available Distribution Amount, in accordance with the applicable Priority of Payments. All such payments will be subordinated to the Issuer's obligations in respect of the Notes, with the exception of any Variable Return of the Class B Notes.

5. **INTERCREDITOR AGREEMENT**

General

Pursuant to the Intercreditor Agreement provision has been made as to, *inter alia*, (i) the application of the Available Distribution Amount in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

Pursuant to the Priority of Payments set out in Condition 6.2 (*Post-Enforcement Priority of Payments*) no amount of cash will be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly repayment of the Noteholders.

Non Petition

Pursuant to the Intercreditor Agreement, only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of any obligation or enforce the Security and none of the Other Issuer Creditors shall be entitled to proceed directly against the Issuer to obtain payment of the obligations or to enforce the Security.

Limited Recourse Obligations

Pursuant to the Intercreditor Agreement, all obligations of the Issuer to any Other Issuer Creditor, including the Obligations, are limited recourse obligations of the Issuer and the Other Issuer Creditors will have a claim only in respect of the Available Distribution Amount and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer’s other assets or its contributed capital.

Reporting Entity

Pursuant to the Intercreditor Agreement, the Originator has been designated as the Reporting Entity in accordance with article 7(2) of the Securitisation Regulation. In such capacity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1 of article 7 of the Securitisation Regulation. For such purpose, the parties to the Intercreditor Agreement have agreed and undertaken as follows:

(i) the Issuer shall deliver to the Reporting Entity a copy of the Transaction Documents, the Prospectus and any other document or report received in connection with the Securitisation;

(ii) the Servicer shall deliver to the Reporting Entity the Loan Level Data on a quarterly basis;

(iii) the Servicer shall deliver to the Reporting Entity the Monthly Report on each Reporting Date;

(iv) all the Parties shall communicate to the Servicer any information in their possession that might be considered an inside information or a significant event in relation to the Securitisation in accordance with article 7(1) points (f) and (g) of the Securitisation Regulation;

(v) upon the occurrence of any event triggering the existence of an inside information or a significant event as provided for by article 7(1) points (f) and (g), the Servicer shall prepare and deliver to the Reporting Entity the Inside Information Report containing such information, without undue delay, subject to the timely receipt of all necessary information from the relevant parties,

(vi) in addition to point (v) above, the Servicer shall deliver to the Reporting Entity the Inside Information Report on a quarterly basis (it being understood that, should no event provided for by article 7(1) points (f) and (g) of the Securitisation Regulation have occurred, the Inside Information Report shall include only such information)

In addition to the above, the Reporting Entity shall report to the Noteholders, without undue delay, any change in the Priorities of Payments which will materially adversely affect the repayment of the Notes.

Cooperation undertakings in relation to Securitisation Regulation

Pursuant to the Intercreditor Agreement, each of the Other Issuer Creditors has undertaken to provide all reasonable cooperation to the Issuer and the Originator in order to ensure that:

(i) the Securitisation complies with the Securitisation Regulation; and

(ii) the Securitisation meets the requirements set out in articles 20, 21 and 22 of the Securitisation Regulation.

Without prejudice to the generality of the foregoing, each of the Parties has undertaken to (i) take any action, (ii) negotiate in good faith and execute any amendment or additional agreement, deed or document, (iii) make available authorised signatories, adequately qualified personnel and internal administrative resources as commercially agreed between all the Parties, and (iv) perform such other supporting activities, in each case as may reasonably deemed necessary and/or expedient by the Originator for the purposes set out under (i) and (ii) above.

The Other Issuer Creditor (other than the Originator) will not be liable for the compliance of the Reporting Entity with the obligations provided for the Securitisation Regulation.

Directions of the Representative of the Noteholders following the service of an Enforcement Notice

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, upon the service of an Enforcement Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Terms and Conditions, in relation to the management and administration of the Portfolio.

Disposal of the Portfolio following the occurrence of an Enforcement Event

Pursuant to the Intercreditor Agreement, following the service of an Enforcement Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer, to dispose of the Portfolio or any part thereof. Such disposal will made in accordance and subject to the terms and conditions of the Intercreditor Agreement or on

any different terms, conditions and procedures, as may be resolved by the Noteholders, in accordance with the Terms and Conditions and the Rules of the Organisation of the Noteholders. In such case, the Originator will have a pre-emption right for the repurchase of the Portfolio pursuant to and subject to the provisions of the Intercreditor Agreement.

Disposal of the Portfolio following the occurrence of a Tax Event or Unlawfulness

Pursuant to the Intercreditor Agreement, in order to fund the early redemption of the Notes in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*), the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, sell the Portfolio or any part thereof. Such disposal will made in accordance and subject to the terms and conditions of the Intercreditor Agreement. In such case the Originator may repurchase the Portfolio (or the relevant part thereof to be sold) pursuant to the Call Option provided for by the Loan Receivables Purchase Agreement.

6. **CASH ALLOCATION MANAGEMENT PAYMENTS AGREEMENT**

General

Pursuant to the Cash Allocation, Management and Payment Agreement, the Servicer, the Calculation Agent, the Account Bank and the Paying Agent have agreed to provide the Issuer with certain agency, calculation, notification and reporting services, together with account handling in relation to monies from time to time standing to the credit of the Issuer Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for the payment of principal and interest in respect of the Notes, any Variable Return in respect of the Class B Notes.

Account Bank

Pursuant to the Cash Allocation, Management and Payment Agreement, the Account Bank has agreed to (i) open in the name of the Issuer and manage in accordance with, *inter alia*, the Cash Allocation, Management and Payment Agreement the Issuer Accounts held by it and (ii) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of such accounts.

The Account Bank shall at all times maintain the Required Rating. If the Account Bank ceases to have such rating, then unless it puts in place certain remedies provided for by the Cash Allocation, Management and Payment Agreement, its appointment will be terminated and a replacement account bank having the Required Rating will be appointed.

Calculation Agent

The Calculation Agent has agreed to provide the Issuer with certain calculation and reporting services. The duties of the Calculation Agent will include also the preparation of the Monthly Investor Report which will set out (i) the Available Distribution Amounts in respect of each Payment Date and (ii) how such Available Distribution Amounts shall be applied on each such Payment Date, under the applicable Priority of Payments, in each case, on the basis of the calculations and determinations made by the Servicer and communicated by the latter to the Calculation Agent pursuant to the terms of the Servicing Agreement.

Paying Agent

The Paying Agent has agreed to provide the Issuer with certain calculation, payment and agency services in relation to the Notes, including without limitation, calculating the rate of interest applicable on the Class A Notes, making payment to the Noteholders, giving notices and issuing certificates and instructions in connection with any meeting of the Noteholders.

Termination of the Agents

Pursuant to the Cash Allocation, Management and Payment Agreement, upon the occurrence of an Insolvency Event with respect to any of the Agents or upon the loss of the Required Rating with respect to the Account Bank, the Issuer, with the prior written approval of the Representative of the Noteholders shall terminate the appointment of the relevant Agent. Notwithstanding such termination, the relevant Agent shall not be released from its obligations under the Cash Allocation, Management and Payment Agreement until a relevant substitute agent has been appointed.

Resignation

Each of the Agents may resign from its appointment under to the Cash Allocation, Management and Payment Agreement for just cause *(giusta causa)* only. Such resignation will be subject to certain conditions, including, *inter alia*, that a substitute of the relevant resigning Agent has been appointed by the Issuer, with the prior written approval of the Representative of the Noteholders.

7. SENIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Senior Notes Subscription Agreement, (i) the Issuer has agreed to issue the Class A Notes, and, (ii) subject to certain customary closing conditions, the Joint Lead Managers and Joint Bookrunners and the Managers have agreed to subscribe for such Class A Notes. Under the Senior Notes Subscription Agreement, the Joint Lead Managers and Joint Bookrunners and the Managers have also appointed the Representative of the Noteholders, in their capacity as initial holders of such notes.

For further details on the Senior Notes Subscription Agreement, please see the section entitled "*Subscription and Sale*".

8. JUNIOR NOTES SUBSCRIPTION AGREEMENT

Pursuant to the Junior Notes Subscription Agreement, (i) the Issuer has agreed to issue the Class B Notes, and, (ii) subject to certain customary closing conditions, the Junior Notes Subscriber has agreed to subscribe for such Class B Notes. Under the Junior Notes Subscription Agreement, the Junior Notes Subscriber has also appointed the Representative of the Noteholders, in its capacity as initial holder of such notes.

For further details on the Junior Notes Subscription Agreement please see the section entitled "*Subscription and Sale*".

9. CORPORATE SERVICES AGREEMENT

Pursuant to the Corporate Services Agreement, the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services for the Issuer and also in relation to the Securitisation, including, *inter alia*, (i) keeping and updating of corporate and accounting books and records in accordance with applicable legislation; (ii) preparing the Issuer's annual balance sheet , (ii) performing various other corporate services and secretarial services; and (iv) managing all matters relating to taxation, accounting, administration and to other corporate matters of the Issuer.

The Issuer may terminate the appointment of the Corporate Servicer in certain circumstances including, *inter alia*, in the event of material default in the performance or observance of its obligations under the Corporate Services Agreement.

10. LETTER OF UNDERTAKINGS

Pursuant to the Letter of Undertakings the relevant parties have acknowledged that the Issuer sole purpose will be to carry out securitisation transactions, and the Sole Quotaholder has given certain undertakings to the Representative of the Noteholders relating to the management of the Issuer and the exercise of its rights as sole quotaholder of the Issuer. In particular, the Sole Quotaholder

has undertaken that, *inter alia*, it will not take any action in relation to the Issuer which could negatively affect the Notes and it will not vote in favour of the distribution of any dividend.

11. MANDATE AGREEMENT

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

12. SWAP AGREEMENT

Pursuant to a 2002 ISDA Master Agreement entered into on or about the Issue Date between the Issuer and the Swap Counterparty, together with the Schedule and the Credit Support Annex thereto and the confirmation documenting the interest rate swap transaction supplemental thereto executed on or about the Issue Date (the "**Swap Agreement**"), the Issuer will hedge its floating rate interest exposure in relation to the Class A Notes. The Swap Agreement, being regulated under the 2002 ISDA Master Agreement, is a derivative underwritten and documented according to common standard in international finance.

The Swap Agreement will contain certain limited termination events and events of default which will entitle either party to terminate the Swap Agreement. In particular, in additional to the standard termination provisions provided for under the 2002 ISDA Master Agreement, the Schedule provides the following additional termination provisions:

(a) the following events will constitute an "Additional Termination Event" with respect to the Issuer, with the Issuer as the sole Affected Party (as defined in the Swap Agreement) and all Transactions as "Affected Transactions" (as defined under the Swap Agreement):

    (i) **Acceleration of the Class A Notes**: the occurrence of an Enforcement Event.

    (ii) **Redemption of the Class A Notes**: all (but not some only) of the Class A Notes then outstanding becoming subject to redemption as a result of a Call Option or otherwise, in which event and the Early Termination Date will not occur earlier than the scheduled redemption date of the Class A Notes.

(b) the following events will constitute an "Additional Termination Event" with respect to the Swap Counterparty, with the Swap Counterparty as the sole Affected Party (as defined in the Swap Agreement) and all Transactions as Affected Transactions (as defined under the Swap Agreement):

    (i) **DBRS Rating Triggers**:

        (1) in case, with respect to its long-term, unsecured, unguaranteed and unsubordinated debt obligations or its DBRS Critical Obligations Rating, the Swap Counterparty is downgraded below (i) "A" by DBRS or (ii) if not rated by DBRS the corresponding DBRS Equivalent Rating, the failure of the Swap Counterparty to comply with the relevant requirements of the section of the Swap Agreement entitled "*Downgrade or Withdrawal of the Swap Counterparty 's Rating by DBRS*" within 30 Local Business Days (as defined in the Swap Agreement); and

        (2) in case, with respect to its long-term, unsecured, unguaranteed and unsubordinated debt obligations or its DBRS Critical Obligations Rating, the Swap Counterparty is downgraded below (i) "BBB" by DBRS or (ii) if not rated by DBRS the corresponding DBRS Equivalent Rating, the failure of the Swap Counterparty to comply with the relevant requirements of the section of the Swap Agreement entitled "*Downgrade or Withdrawal of the Swap Counterparty 's Rating by DBRS*" within 30 Local Business Days (as defined in the Swap Agreement);

(ii) **Moody's Rating Triggers**: either of the following occurs:

(1) In case the Swap Counterparty's counterparty risk assessment is downgraded below "A3(cr)" by Moody's or its long-term, unsecured and unsubordinated debt obligations are downgraded by Moody's below "Baa3", failure of the Swap Counterparty to comply with the Moody's Collateral Trigger Requirements (as defined in the Swap Agreement) within 30 Local Business Days (as defined in the Swap Agreement); or

(2) In case the Swap Counterparty's counterparty risk assessment is downgraded below "Baa3(cr)" by Moody's or its long-term, unsecured and unsubordinated debt obligations are downgraded by Moody's below "A3", failure of the Swap Counterparty to comply with the Moody's Transfer Trigger Requirements (as defined in the Swap Agreement) within 30 Local Business Days (as defined in the Swap Agreement).

The Swap Agreement will cover the entire interest risk of the Issuer with respect to its floating rate interest exposure in relation to the Class A Notes.

13. **ITALIAN DEED OF PLEDGE**

Pursuant to the Italian Deed of Pledge, in addition and without prejudice to the statutory segregation provided for by of article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has granted, in favour of the Noteholders and the Other Issuer Creditors (acting through the Representative of the Noteholders), a first priority pledge over all existing and future monetary claims and rights deriving from certain Transaction Documents.

14. **ENGLISH SECURITY DEED**

Pursuant to the English Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other Issuer Creditors, its rights, title, benefit and interest (present and future) in, to and under the Swap Agreement.

15. **IRISH SECURITY DEED**

Pursuant to the Irish Security Deed, in addition and without prejudice to the statutory segregation provided for by article 3 of Law 130/99, as security for the Secured Obligations, the Issuer has, *inter alia*, assigned by way of security in favour of the Representative of the Noteholders, for itself and for the Noteholders and the Other Issuer Creditors, its rights, title, benefit and interest (present and future) over the Issuer Accounts.

DESCRIPTION OF THE PORTFOLIO

The following is a description of the Portfolio of Loan Receivables.

The Portfolio is not actively managed, and the Loan Receivables may not be replenished or replaced.

The Loan Receivables comprised in the Portfolio are homogeneous as they have the following elements in common:

(i) they have been originated pursuant to similar underwriting standards;

(ii) they are serviced according to similar servicing procedures;

(iii) they are all auto-loans, hence they belong to the same asset category; and

(iv) they are all governed by Italian law.

1. ELIGIBILITY CRITERIA

All the Loan Receivables sold by the Issuer to the Originator under the Loan Receivables Purchase Agreement shall satisfy the following criteria as at the Cut-off Date:

1. it has been originated by the Originator pursuant to a Loan Agreement in the ordinary course of the Originator's business and in compliance with the Credit and Collection Policy;

2. the relevant Obligor is not Insolvent;

3. it has an original term of no longer than 96 months;

4. it has a seasoning above or equal to two months;

5. the relevant Obligor is resident of Italy;

6. it can be validly transferred by way of sale and assignment, such transfer not being subject to any legal or contractual restriction which prevents the valid transfer thereof to the Issuer;

7. it is owned by the Originator free of third party rights, including any set-off rights, any defence, retention or revocation rights of the relevant Obligor;

8. it is not in arrears and not defaulted;

9. it is denominated in euro;

10. it is governed by the laws of Italy;

11. it constitutes the legal, valid and binding obligations of the relevant Obligor, enforceable against such Obligor in accordance with its terms;

12. it amortises on a monthly basis and provides monthly instalment payments;

13. if the relevant Loan Agreement provides for a final balloon instalment, such balloon instalment is mandatory;

14. the relevant Obligor is not an employee of MBFSI;

15. if the relevant Loan Agreement is subject to the provisions of the Italian consumer legislation, then such agreement, complies in all material respects with the requirements of such provisions and, in particular contain legally accurate instructions in respect of the right of revocation of the Obligors and that none of

such Obligors has exercised such right of revocation within the relevant term of revocation;

16. the relevant Financed Vehicle has been delivered to the Obligor and has a sale price not exceeding EUR 200,000;

17. the relevant monthly instalments are to be paid by the relevant Obligor through direct debit; and

18. it bears a fixed interest rate above or equal to 0.5 per cent.

2. ORIGINATOR LOAN WARRANTIES

As of the Purchase Date the Originator represents and warrants the following:

(a) that all Loan Receivables (i) comply with the Eligibility Criteria as of the Cut-off Date, (ii) are valid and enforceable and not subject to any right of revocation, set-off or counter-claim, warranty claims of the Obligors or any other right of objection and (iii) comply with all relevant applicable consumer legislation in Italy. Any misrepresentation of the Originator regarding the non-eligibility shall be remedied only in accordance with the terms of the Loan Receivables Purchase Agreement;

(b) it has not altered the Loan Receivables' legal existence or otherwise waived, altered or modified any provision in relation to any Loan Receivable, in particular, it has not impaired (*recato pregiudizio a*) such Loan Receivables by challenge (*contestazione*), termination (*cessazione*) or any other means, unless made in accordance with the provisions of the Servicing Agreement;

(c) all information given in respect of the Loan Receivables including any related Loan Collateral is true and correct in all material aspects, a Loan Agreement identifier therein allows each Loan Receivable to be identifiable in the Originator's systems and the Financed Vehicle's identification number stated in each of the Loan Agreements or any information or document relating thereto, allows each Financed Vehicle relating to a Loan Receivable to be separately identified; and

(d) the Originator, in its role as Servicer, will, on behalf of the Issuer, satisfy and provide loan-level data to the European Data Warehouse.

PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The portfolio information presented in this Prospectus is based on a provisional portfolio as of the Cut-Off Date. Such portfolio may evolve between the Cut-Off Date and the Signing Date.

External Verification

Pursuant to article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria and the terms of an, an external verification applying a confidence level higher than 95% has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party, including verification that the data disclosed in any formal offering document in respect of the Loan Receivables is accurate (the "**External Verification**"), and, in this respect, no significant adverse findings have been found.

The External Verification included the review of 9 loan characteristics among the Eligibility Criteria including the original term of the Loan Agreement, the seasoning, the residence of the relevant Obligor, the denomination of the Loan Agreement and the amortisation period.

Portfolio Characteristics

The weighted average loan to value ratio of the provisional portfolio is, as of the Cut-Off Date, 80,79 %.

Cut-Off Date	31/05/2019
Aggregate Outstanding Loan Principal Amount	€ 558,664,868
Aggregate Original Loan Principal Amount	€ 762,104,645
Number of Loans	38,053
Number of Obligors	37,617
Average Outstanding Loan Principal Amount	€ 14,681.23
Weighted Average Interest Rate	3.75%
Weighted Average Seasoning	16.62 months
Weighted Average Remaining Term	28.89 months
Weighted Average Original Term	45.50 months
Balloon Payment on Aggregate Outstanding Loan Principal Amount	47.15%
Insurance Component on Aggregate Outstanding Loan Principal Amount	2.72%

Portfolio Information – Distribution by Fuel Type

Fuel Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Diesel	436,763,214	78.18%	24,405	64.13%
Petrol	119,236,669	21.34%	13,425	35.28%
Electric	1,803,552	0.32%	124	0.33%
Natural Gas	822,639	0.15%	98	0.26%
Hybrid	38,795	0.01%	1	0.00%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Distribution by SubPortfolio

SubPortfolio	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
New Private Amortizing	54,762,277	9.80%	6,305	16.57%
New Commercial Amortizing	40,296,276	7.21%	2,933	7.71%
Used Private Amortizing	49,994,037	8.95%	6,349	16.68%
Used Commercial Amortizing	20,225,674	3.62%	2,146	5.64%
New Private Balloon	235,705,975	42.19%	12,524	32.91%
New Commercial Balloon	113,014,843	20.23%	4,948	13.00%
Used Private Balloon	32,564,634	5.83%	2,177	5.72%
Used Commercial Balloon	12,101,151	2.17%	671	1.76%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Distribution by Aggregate Outstanding Loan Principal Amount

Aggregate Outstanding Loan Principal Amount (€)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10,000	83,196,625	14.89%	14,645	38.49%
10,000 < x <= 20,000	200,630,130	35.91%	13,850	36.40%
20,000 < x <= 30,000	157,956,001	28.27%	6,509	17.11%
30,000 < x <= 40,000	70,042,041	12.54%	2,054	5.40%
40,000 < x <= 50,000	32,247,414	5.77%	738	1.94%
50,000 < x <= 60,000	11,089,387	1.98%	206	0.54%
60,000 < x <= 70,000	2,106,180	0.38%	33	0.09%
70,000 < x <= 80,000	961,696	0.17%	13	0.03%
80,000 < x <= 90,000	338,748	0.06%	4	0.01%
90,000 < x <= 100,000	96,648	0.02%	1	0.00%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	96,647.66
Min	273.84
Avg	14,681.23

Portfolio Information – Distribution by Aggregate Original Loan Principal Amount

Aggregate Original Loan Principal Amount (€)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10,000	29,884,215	5.35%	6,932	18.22%
10,000 < x <= 20,000	154,510,337	27.66%	14,980	39.37%
20,000 < x <= 30,000	185,143,108	33.14%	10,024	26.34%
30,000 < x <= 40,000	103,374,205	18.50%	3,922	10.31%
40,000 < x <= 50,000	52,571,570	9.41%	1,481	3.89%
50,000 < x <= 60,000	21,938,434	3.93%	509	1.34%
60,000 < x <= 70,000	7,452,358	1.33%	144	0.38%
70,000 < x <= 80,000	2,085,587	0.37%	36	0.09%
80,000 < x <= 90,000	1,074,307	0.19%	16	0.04%
90,000 < x <= 100,000	507,386	0.09%	7	0.02%
100,000 < x <= 110,000	123,362	0.02%	2	0.01%

Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	107,968.83
Min	1,999.99
Avg	20,027.45

Portfolio Information – Distribution by Vehicle Type (New/Used)

New / Used Vehicle	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
New	443,779,372	79.44%	26,710	70.19%
Used	114,885,496	20.56%	11,343	29.81%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Distribution by Client Type (Private/Commercial)

Client Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Private	373,026,923	66.77%	27,355	71.89%
Commercial	185,637,945	33.23%	10,698	28.11%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Distribution by Amortization Type (Amortizing/Amortising with Balloon)

Amortization Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Amortizing	165,278,264	29.58%	17,733	46.60%
Amortizing with Balloon	393,386,603	70.42%	20,320	53.40%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Distribution by Client Interest Rate

Interest Rate (in %)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0.00 < x <= 0.50	1,171	0.00%	1	0.00%
0.50 < x <= 1.00	59,821,933	10.71%	3,867	10.16%
1.00 < x <= 1.50	2,637,670	0.47%	638	1.68%
1.50 < x <= 2.00	71,659,801	12.83%	4,065	10.68%
2.00 < x <= 2.50	2,827,393	0.51%	421	1.11%
2.50 < x <= 3.00	43,707,016	7.82%	2,383	6.26%
3.00 < x <= 3.50	28,607,420	5.12%	2,421	6.36%
3.50 < x <= 4.00	100,935,231	18.07%	5,998	15.76%
4.00 < x <= 4.50	88,075,743	15.77%	5,701	14.98%
4.50 < x <= 5.00	56,532,280	10.12%	2,473	6.50%
5.00 < x <= 5.50	32,803,170	5.87%	2,272	5.97%
5.50 < x <= 6.00	42,337,752	7.58%	4,831	12.70%
6.00 < x <= 6.50	7,939,871	1.42%	506	1.33%
6.50 < x <= 7.00	19,032,560	3.41%	2,230	5.86%
7.00 < x <= 7.50	1,175,193	0.21%	190	0.50%
> 7.50	570,663	0.10%	56	0.15%

Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	10.99%
Min	0.500%
Wavg	3.75%

Portfolio Information – Distribution by Original Term

Original Term (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	208,072	0.04%	33	0.09%
12 < x <= 24	8,186,647	1.47%	1,290	3.39%
24 < x <= 36	226,607,515	40.56%	15,225	40.01%
36 < x <= 48	208,606,750	37.34%	13,888	36.50%
48 < x <= 60	102,257,577	18.30%	6,819	17.92%
60 < x <= 72	12,331,340	2.21%	743	1.95%
> 72	466,967	0.08%	55	0.14%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	96.00
Min	10.00
Wavg	45.50

Portfolio Information – Distribution by Remaining Term

Remaining Term (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	64,042,022	11.46%	7,522	19.77%
12 < x <= 24	148,577,101	26.60%	11,006	28.92%
24 < x <= 36	206,275,503	36.92%	12,129	31.87%
36 < x <= 48	91,460,656	16.37%	5,026	13.21%
48 < x <= 60	43,105,286	7.72%	2,118	5.57%
60 < x <= 72	4,992,123	0.89%	246	0.65%
> 72	212,176	0.04%	6	0.02%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	90.00
Min	3.00
Wavg	28.89

Portfolio Information – Distribution by Seasoning

Seasoning (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	230,166,719	41.20%	12,624	33.17%
12 < x <= 24	202,488,394	36.25%	13,361	35.11%
24 < x <= 36	98,073,071	17.55%	8,610	22.63%
36 < x <= 48	25,617,997	4.59%	2,843	7.47%
48 < x <= 60	2,249,061	0.40%	576	1.51%
60 < x <= 72	32,777	0.01%	4	0.01%
> 72	36,848	0.01%	35	0.09%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	93.00
Min	2.00
Wavg	16.62

Portfolio Information – Distribution by Vehicle Make

Vehicle Make	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Mercedes-Benz	461,655,654	82.64%	25,571	67.20%
Smart	97,009,213	17.36%	12,482	32.80%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Portfolio Information – Top 20 Obligors

Top 20 Obligors	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Top 1	157,126	0.03%	4	0.01%
Top 2	140,256	0.03%	6	0.02%
Top 3	117,433	0.02%	2	0.01%
Top 4	104,517	0.02%	2	0.01%
Top 5	101,656	0.02%	2	0.01%
Top 6	98,875	0.02%	2	0.01%
Top 7	96,648	0.02%	1	0.00%
Top 8	95,363	0.02%	2	0.01%
Top 9	94,738	0.02%	2	0.01%
Top 10	94,328	0.02%	2	0.01%
Top 11	93,650	0.02%	2	0.01%
Top 12	91,232	0.02%	2	0.01%
Top 13	90,242	0.02%	3	0.01%
Top 14	89,972	0.02%	2	0.01%
Top 15	89,683	0.02%	3	0.01%
Top 16	88,592	0.02%	7	0.02%
Top 17	88,457	0.02%	1	0.00%
Top 18	87,576	0.02%	1	0.00%
Top 19	86,766	0.02%	3	0.01%
Top 20	85,115	0.02%	2	0.01%
Total	**1,992,224**	**0.36%**	**51**	**0.13%**

Portfolio Information – Distribution by Monthly Instalment

Instalment Amount (€)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 250	133,935,726	23.97%	14,102	37.06%
250 < x <= 500	283,295,244	50.71%	18,222	47.89%
500 < x <= 750	99,121,007	17.74%	4,316	11.34%
750 < x <= 1,000	28,323,908	5.07%	999	2.63%
1,000 < x <= 1,250	8,045,887	1.44%	260	0.68%
1,250 < x <= 1,500	3,830,351	0.69%	100	0.26%
1,500 < x <= 1,750	1,310,818	0.23%	33	0.09%
1,750 < x <= 2,000	389,089	0.07%	10	0.03%
2,000 < x <= 2,250	239,016	0.04%	6	0.02%
2,250 < x <= 2,500	53,589	0.01%	1	0.00%
2,500 < x <= 2,750	120,234	0.02%	4	0.01%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Max	2,688.83
Min	16.96
Wavg	408.49

Portfolio Information – Distribution by Balloon as Percentage of Vehicle Sale Price (Balloon Loans only)

Balloon / Purchase Price (%)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10	2,644,941	0.67%	271	1.33%
10 < x <= 20	11,978,848	3.05%	930	4.58%
20 < x <= 30	51,122,898	13.00%	3,316	16.32%
30 < x <= 40	68,462,757	17.40%	3,616	17.80%
40 < x <= 50	110,029,124	27.97%	5,413	26.64%
50 < x <= 60	97,939,544	24.90%	4,564	22.46%
60 < x <= 70	48,821,416	12.41%	2,105	10.36%
70 < x <= 80	2,387,075	0.61%	105	0.52%
Total	**393,386,603**	**100%**	**20,320**	**100%**

Max	74.88%
Wavg	45.01%

Portfolio Information – Distribution by Regions

Region	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
LOMBARDIA	111,549,755	19.97%	7,411	19.48%
LAZIO	76,373,230	13.67%	6,718	17.65%
VENETO	61,935,017	11.09%	3,900	10.25%
TOSCANA	52,291,448	9.36%	3,237	8.51%
EMILIA ROMAGNA	48,248,716	8.64%	3,166	8.32%
SICILIA	32,242,960	5.77%	2,158	5.67%
CAMPANIA	26,004,604	4.65%	1,957	5.14%
PUGLIA	24,633,489	4.41%	1,403	3.69%
PIEMONTE	20,227,926	3.62%	1,235	3.25%
ABRUZZO	16,764,462	3.00%	1,111	2.92%
MARCHE	16,035,143	2.87%	997	2.62%
LIGURIA	15,872,669	2.84%	1,074	2.82%
CALABRIA	15,430,759	2.76%	1,021	2.68%
UMBRIA	13,696,789	2.45%	781	2.05%
FRIULI VENEZIA G.	10,522,853	1.88%	760	2.00%
SARDEGNA	6,414,883	1.15%	470	1.24%
TRENTINO ALTO ADIGE	6,247,487	1.12%	389	1.02%
BASILICATA	2,882,729	0.52%	170	0.45%
MOLISE	1,005,261	0.18%	77	0.20%
VAL D'AOSTA	284,688	0.05%	18	0.05%
Total	**558,664,868**	**100%**	**38,053**	**100%**

Amortisation Schedule

Period	Determination Date	Aggregate Outstanding Loan Principal Amount (in EUR)	Pool Factor (in %)
0	31/05/2019	558,664,867.76	100.00%
1	30/06/2019	547,548,310.02	98.01%
2	31/07/2019	536,395,902.33	96.01%
3	31/08/2019	523,606,686.66	93.72%
4	30/09/2019	508,556,108.72	91.03%
5	31/10/2019	493,203,626.37	88.28%
6	30/11/2019	477,103,228.29	85.40%
7	31/12/2019	461,429,874.69	82.60%
8	31/01/2020	446,491,601.96	79.92%
9	29/02/2020	431,512,141.52	77.24%
10	31/03/2020	415,585,295.75	74.39%
11	30/04/2020	401,248,448.75	71.82%
12	31/05/2020	385,341,238.96	68.98%
13	30/06/2020	370,003,588.28	66.23%
14	31/07/2020	355,183,399.91	63.58%
15	31/08/2020	343,138,125.53	61.42%
16	30/09/2020	328,342,294.41	58.77%
17	31/10/2020	313,195,344.65	56.06%
18	30/11/2020	297,364,264.38	53.23%
19	31/12/2020	281,790,321.84	50.44%
20	31/01/2021	267,238,087.39	47.84%
21	28/02/2021	251,029,464.35	44.93%
22	31/03/2021	233,725,904.48	41.84%
23	30/04/2021	219,694,707.15	39.32%
24	31/05/2021	203,830,305.75	36.49%
25	30/06/2021	188,717,892.41	33.78%
26	31/07/2021	174,080,648.14	31.16%
27	31/08/2021	163,289,154.62	29.23%
28	30/09/2021	147,150,693.98	26.34%
29	31/10/2021	130,444,352.10	23.35%
30	30/11/2021	114,160,343.42	20.43%
31	31/12/2021	98,248,005.78	17.59%
32	31/01/2022	86,348,019.13	15.46%
33	28/02/2022	75,371,702.74	13.49%
34	31/03/2022	66,819,473.93	11.96%
35	30/04/2022	62,125,637.13	11.12%
36	31/05/2022	56,790,846.74	10.17%
37	30/06/2022	51,901,164.13	9.29%
38	31/07/2022	47,289,731.59	8.46%
39	31/08/2022	44,125,554.19	7.90%
40	30/09/2022	39,513,016.87	7.07%
41	31/10/2022	34,803,969.59	6.23%
42	30/11/2022	30,345,516.36	5.43%
43	31/12/2022	26,627,156.03	4.77%
44	31/01/2023	22,796,437.30	4.08%
45	28/02/2023	18,740,533.01	3.35%
46	31/03/2023	15,979,804.06	2.86%
47	30/04/2023	14,272,135.27	2.55%
48	31/05/2023	12,712,881.90	2.28%
49	30/06/2023	11,334,616.30	2.03%
50	31/07/2023	10,063,742.46	1.80%
51	31/08/2023	9,023,991.39	1.62%
52	30/09/2023	7,544,981.02	1.35%
53	31/10/2023	6,129,689.53	1.10%

54	30/11/2023	4,774,385.32	0.85%
55	31/12/2023	3,612,868.34	0.65%
56	31/01/2024	2,654,194.00	0.48%
57	29/02/2024	1,832,029.18	0.33%
58	31/03/2024	1,426,795.22	0.26%
59	30/04/2024	1,275,109.38	0.23%
60	31/05/2024	1,150,797.24	0.21%
61	30/06/2024	969,902.16	0.17%
62	31/07/2024	857,029.56	0.15%
63	31/08/2024	780,987.42	0.14%
64	30/09/2024	683,755.82	0.12%
65	31/10/2024	552,154.77	0.10%
66	30/11/2024	461,515.46	0.08%
67	31/12/2024	364,131.21	0.07%
68	31/01/2025	191,516.44	0.03%
69	28/02/2025	92,506.86	0.02%
70	31/03/2025	35,620.62	0.01%
71	30/04/2025	32,307.34	0.01%
72	31/05/2025	29,230.47	0.01%
73	30/06/2025	26,136.37	0.00%
74	31/07/2025	23,024.93	0.00%
75	31/08/2025	20,926.17	0.00%
76	30/09/2025	18,816.44	0.00%
77	31/10/2025	16,695.70	0.00%
78	30/11/2025	14,835.60	0.00%
79	31/12/2025	12,965.84	0.00%
80	31/01/2026	11,050.61	0.00%
81	28/02/2026	5,246.45	0.00%
82	31/03/2026	4,675.99	0.00%
83	30/04/2026	4,102.46	0.00%
84	31/05/2026	3,525.84	0.00%
85	30/06/2026	2,946.10	0.00%
86	31/07/2026	2,363.22	0.00%
87	31/08/2026	1,777.19	0.00%
88	30/09/2026	1,188.00	0.00%
89	31/10/2026	595.61	0.00%
90	30/11/2026	0.00	0.00%

Historical performance data

Explanations historical data package

The historical performance data set out hereafter relates to the portfolio of auto loan receivables granted to retail (includes private and commercial but not corporate) borrowers, with and without a final balloon instalment, relating to used or new vehicles. Loans to employees have been excluded from the historical performance data.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

The tables below were prepared on the basis of the internal records and cover the following portfolios/sub-portfolios:

1. Total Portfolio (ALL) - as described above

2. New vehicles/Amortising loans/Commercial retail customers (NAC)

3. New vehicles/Balloon loans/Commercial retail customers (NBC)

4. New vehicles/Amortising loans/Private retail customers (NAP)

5. New vehicles/Balloon loans/Private retail customers (NBP)

6. Used vehicles/Amortising loans/Commercial retail customers (UAC)

7. Used vehicles/Balloon loans/Commercial retail customers (UBC)

8. Used vehicles/Amortising loans/Private retail customers (UAP)

9. Used vehicles/Balloon loans/Private retail customers (UBP)

There can be no assurance that the future experience and performance of the Loan Receivables will be similar to the historical performance set out in the tables below.

1*. Production (Q1 2014 – Q4 2018)*

Quarterly production of the total portfolio.

2. *Gross Default Analysis (Q1 2014 – Q4 2018)*

For a generation of originated loans (being all loans originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

i. the cumulative defaulted amount recorded between the quarter when such loans were originated and the relevant month, to

ii. the initial outstanding amount of such loans.

3. *Recovery Analysis (Q1 2014 – Q4 2018)*

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of:

i. the cumulative recovered amounts recorded between the quarter when such loans were defaulted and the relevant month, to

ii. the gross defaulted amount of such loans.

4. *Prepayment Analysis (Jan 2014 – Dec 2018)*

For a given month, the annual prepayment rate (APR) is calculated from the monthly prepayment rate (MPR) according to the following formula: APR = 1-(1-MPR)^12.

The monthly prepayment rate (MPR) is calculated as the ratio of:

i. the outstanding principal balance of all loans prepaid during the month, to

ii. the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

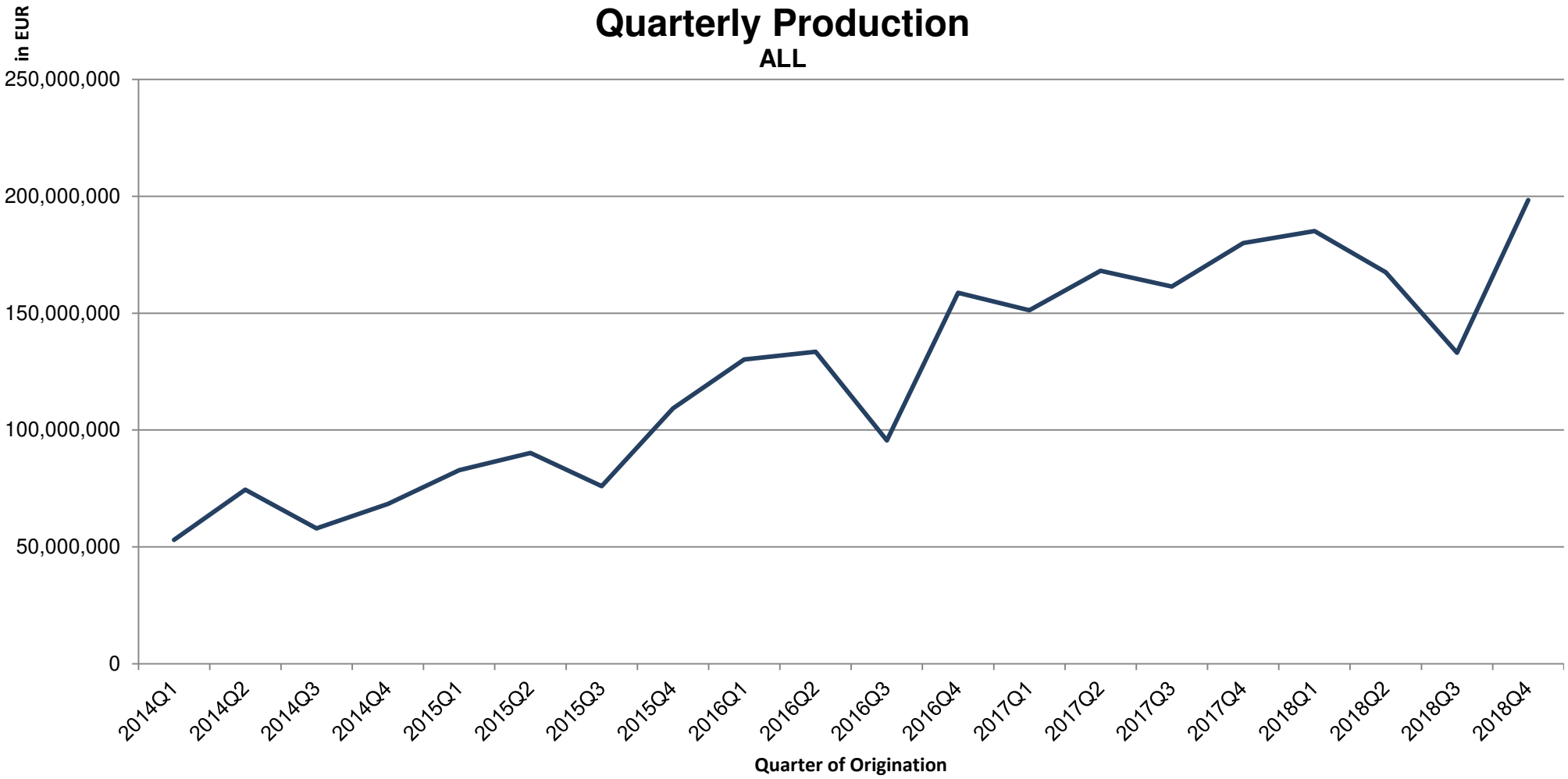
5. Delinquency Analysis (Jan 2014 – Dec 2018)

For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

i. the outstanding principal balance of all delinquent loans (in the same delinquency bucket) during the month, to

ii. the outstanding principal balance of all loans (defaulted loans excluded) at the end of the month.

Production



DATE OF ORIGINATION	ORIGINATED AMOUNT

2014Q1	52,984,195
2014Q2	74,473,082
2014Q3	57,902,974
2014Q4	68,409,547
2015Q1	82,791,885
2015Q2	90,190,090
2015Q3	75,986,776
2015Q4	109,179,084
2016Q1	130,123,586
2016Q2	133,458,508
2016Q3	95,525,332
2016Q4	158,690,738
2017Q1	151,209,486
2017Q2	168,100,729
2017Q3	161,411,205
2017Q4	179,948,419
2018Q1	185,140,326
2018Q2	167,436,159
2018Q3	133,025,538
2018Q4	198,325,013

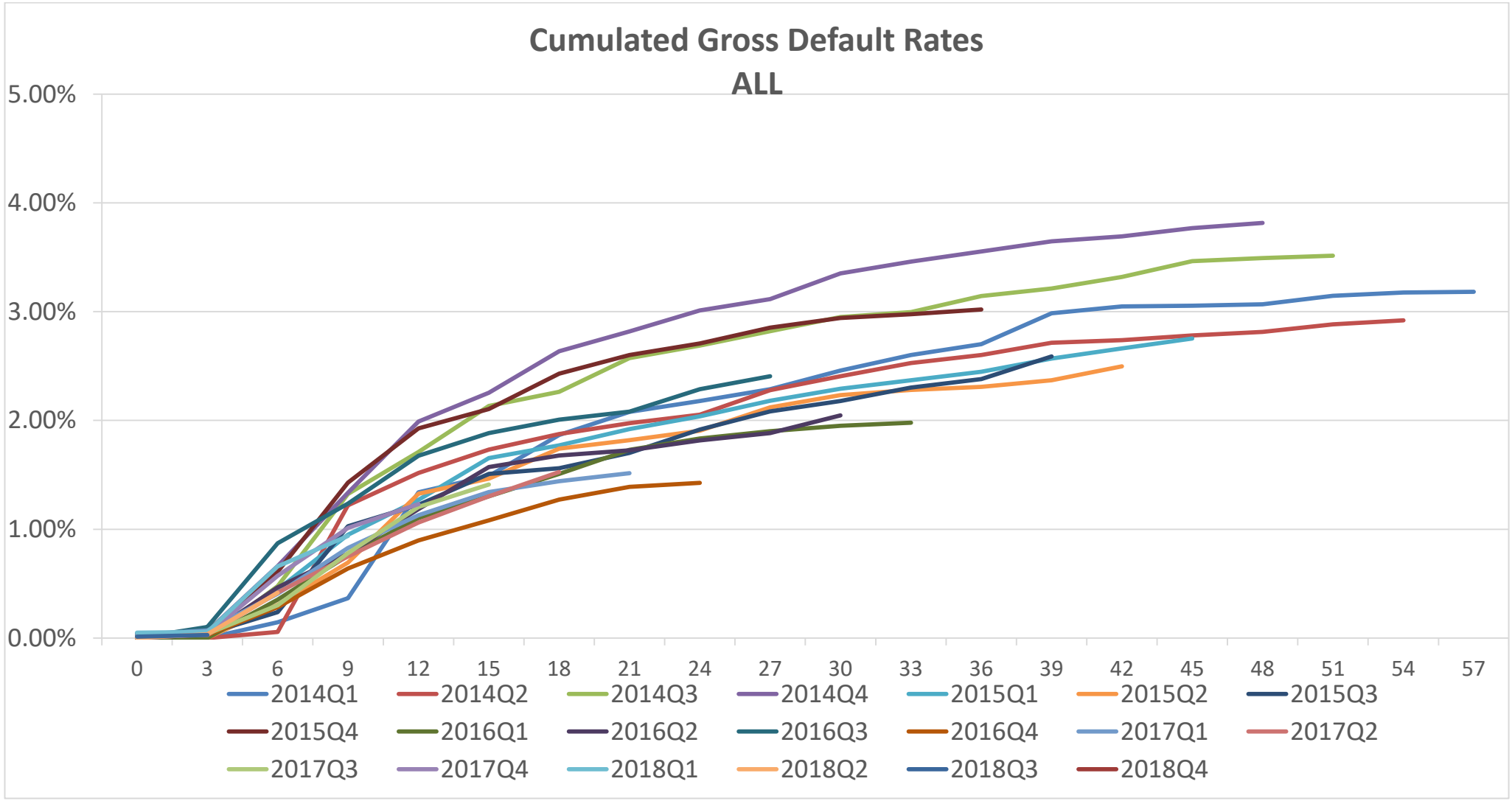
Gross Default Analysis (Q1 2014 – Q4 2018)

For a generation of originated loans (being all loans originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

i. the cumulative defaulted amount recorded between the quarter when such loans were originated and the relevant month, to

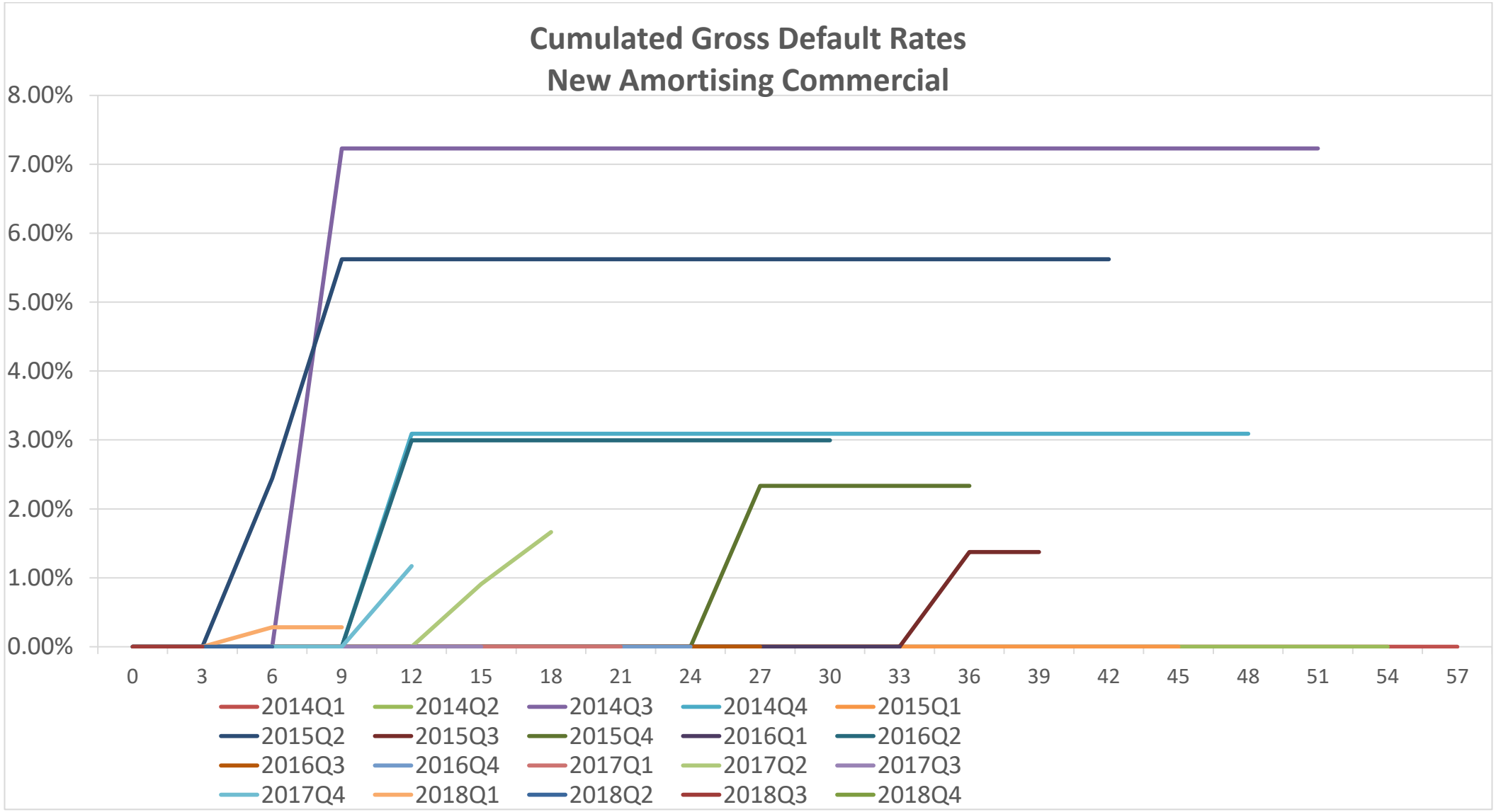
ii. the initial outstanding amount of such loans.

Cumulated gross default rates - Total portfolio



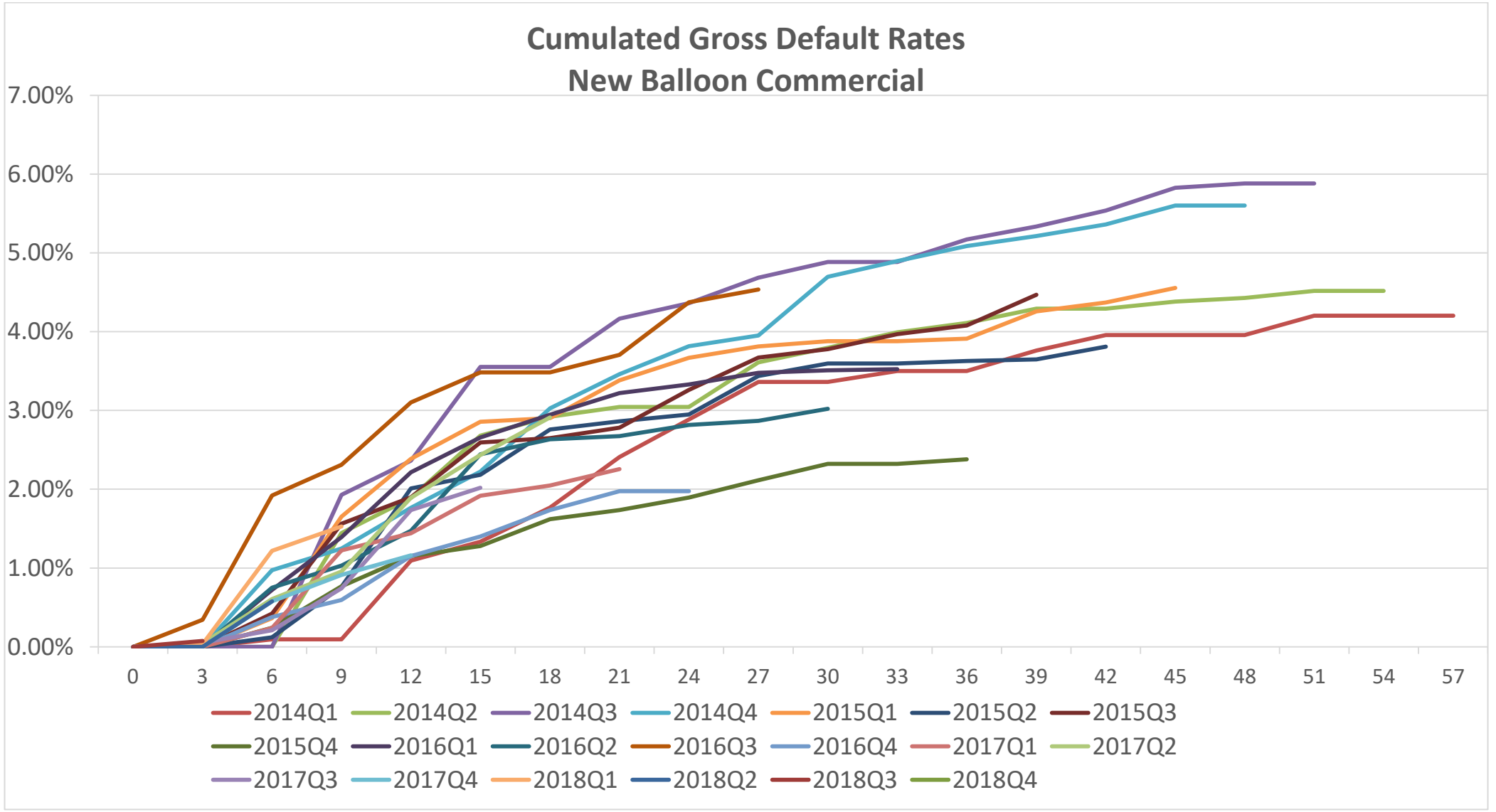
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	52,984,195	0.00%	0.00%	0.14%	0.37%	1.34%	1.49%	1.87%	2.08%	2.18%	2.29%	2.46%	2.60%	2.70%	2.99%	3.05%	3.05%	3.07%	3.14%	3.18%	3.18%
2014Q2	74,473,082	0.00%	0.00%	0.06%	1.22%	1.52%	1.73%	1.88%	1.97%	2.05%	2.28%	2.41%	2.53%	2.60%	2.72%	2.74%	2.78%	2.81%	2.88%	2.92%	
2014Q3	57,902,974	0.00%	0.00%	0.48%	1.32%	1.71%	2.13%	2.26%	2.57%	2.69%	2.82%	2.95%	3.00%	3.14%	3.21%	3.32%	3.46%	3.49%	3.52%		
2014Q4	68,409,547	0.00%	0.06%	0.66%	1.34%	1.99%	2.25%	2.64%	2.82%	3.01%	3.12%	3.35%	3.46%	3.55%	3.65%	3.69%	3.77%	3.82%			
2015Q1	82,791,885	0.00%	0.01%	0.45%	0.95%	1.27%	1.65%	1.77%	1.92%	2.04%	2.18%	2.29%	2.37%	2.45%	2.57%	2.66%	2.75%				
2015Q2	90,190,090	0.00%	0.00%	0.31%	0.69%	1.33%	1.47%	1.74%	1.82%	1.91%	2.12%	2.23%	2.28%	2.31%	2.37%	2.50%					
2015Q3	75,986,776	0.04%	0.04%	0.24%	1.03%	1.23%	1.51%	1.56%	1.70%	1.92%	2.08%	2.18%	2.30%	2.38%	2.59%						
2015Q4	109,179,084	0.01%	0.06%	0.61%	1.43%	1.93%	2.10%	2.43%	2.60%	2.71%	2.85%	2.94%	2.98%	3.02%							
2016Q1	130,123,586	0.00%	0.00%	0.35%	0.76%	1.10%	1.30%	1.51%	1.73%	1.83%	1.90%	1.95%	1.98%								
2016Q2	133,458,508	0.00%	0.03%	0.47%	0.78%	1.18%	1.57%	1.68%	1.72%	1.82%	1.88%	2.05%									
2016Q3	95,525,332	0.00%	0.10%	0.87%	1.24%	1.67%	1.88%	2.01%	2.08%	2.29%	2.41%										
2016Q4	158,690,738	0.03%	0.03%	0.28%	0.64%	0.90%	1.08%	1.27%	1.39%	1.43%											
2017Q1	151,209,486	0.03%	0.07%	0.41%	0.83%	1.13%	1.34%	1.44%	1.52%												
2017Q2	168,100,729	0.01%	0.03%	0.42%	0.75%	1.06%	1.30%	1.53%													
2017Q3	161,411,205	0.01%	0.04%	0.30%	0.78%	1.21%	1.41%														
2017Q4	179,948,419	0.00%	0.04%	0.57%	1.01%	1.23%															
2018Q1	185,140,326	0.05%	0.06%	0.66%	0.94%																
2018Q2	167,436,159	0.00%	0.03%	0.41%																	
2018Q3	133,025,538	0.01%	0.03%																		
2018Q4	198,325,013	0.13%																			

Cumulated gross default rates - New vehicles / Amortising loans/ Commercial retail customer



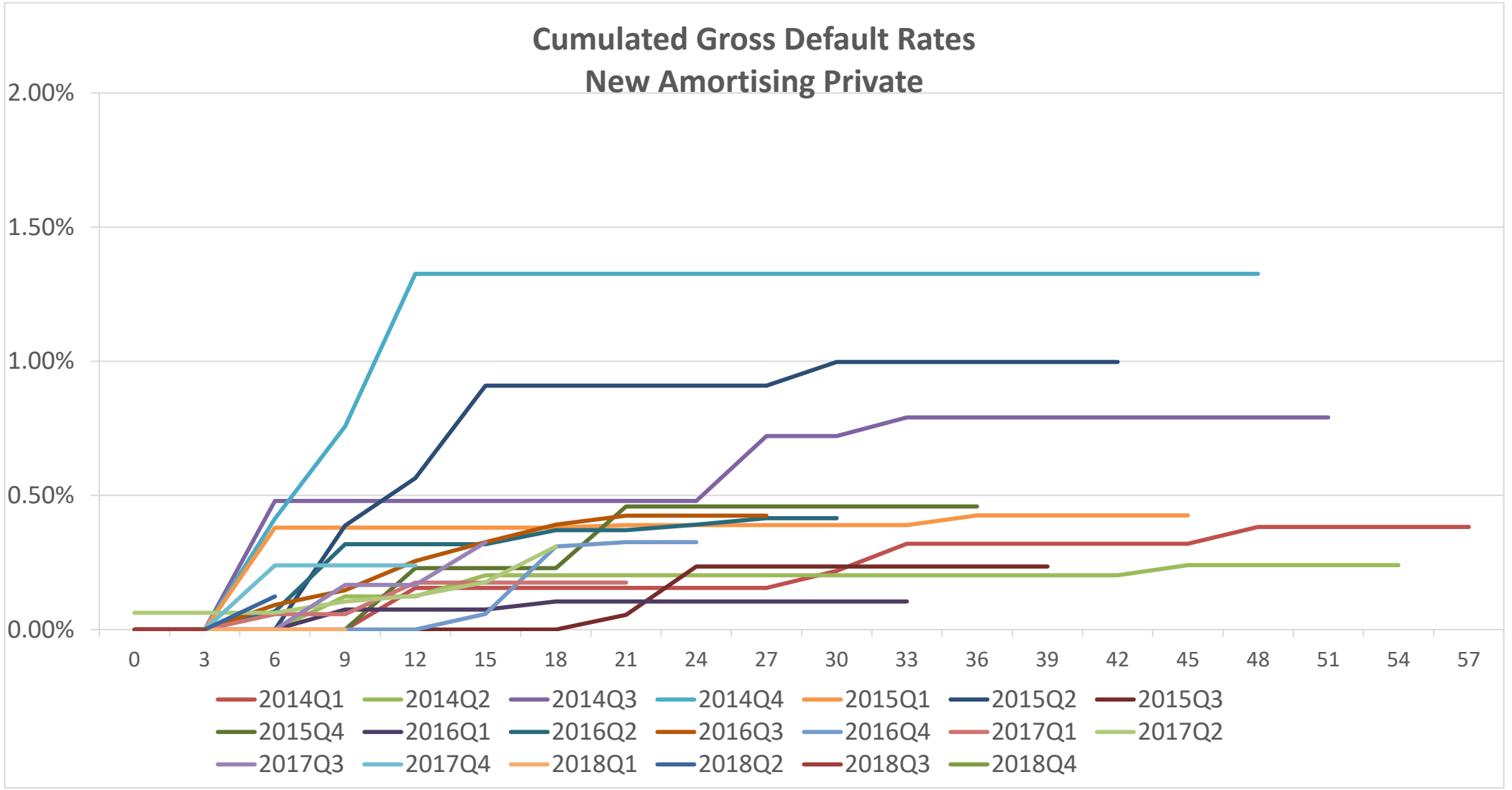
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	451,270	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014Q2	1,043,599	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2014Q3	576,240	0.00%	0.00%	0.00%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%		
2014Q4	645,128	0.00%	0.00%	0.00%	0.00%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%			
2015Q1	855,003	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%				
2015Q2	676,608	0.00%	0.00%	2.44%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%	5.62%					
2015Q3	700,556	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.37%	1.37%						
2015Q4	1,226,771	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.33%	2.33%	2.33%	2.33%							
2016Q1	1,564,785	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
2016Q2	1,688,846	0.00%	0.00%	0.00%	0.00%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%									
2016Q3	877,168	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%										
2016Q4	1,341,696	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%											
2017Q1	1,194,284	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%												
2017Q2	1,579,865	0.00%	0.00%	0.00%	0.00%	0.00%	0.91%	1.66%													
2017Q3	1,397,243	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%														
2017Q4	1,208,703	0.00%	0.00%	0.00%	0.00%	1.17%															
2018Q1	14,918,276	0.00%	0.00%	0.28%	0.28%																
2018Q2	12,606,224	0.00%	0.00%	0.00%																	
2018Q3	9,218,200	0.00%	0.00%																		
2018Q4	18,290,511	0.30%																			

Cumulated gross default rates - New vehicles / Balloon loans/ Commercial retail customer



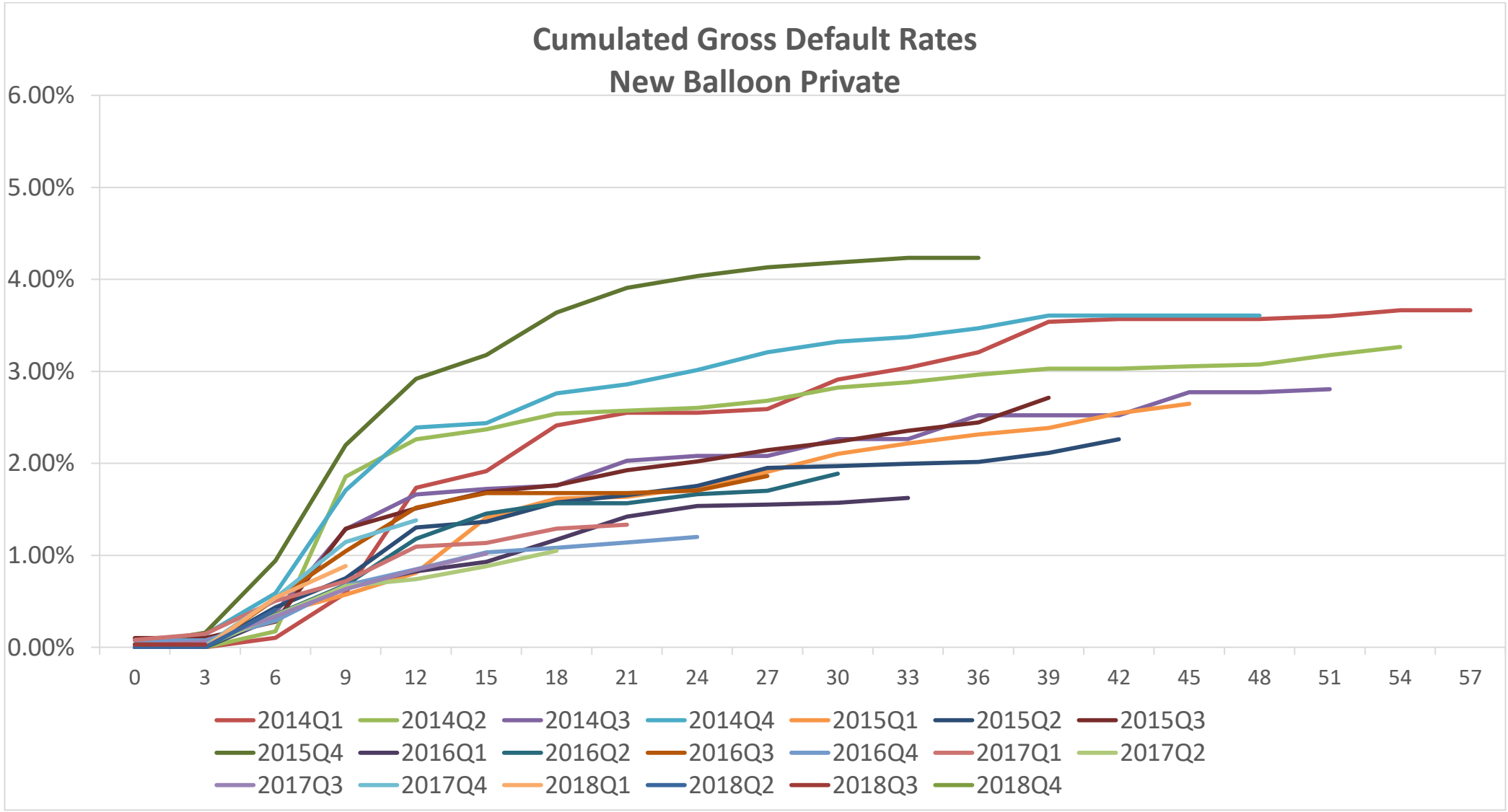
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	10,482,557	0.00%	0.00%	0.09%	0.09%	1.09%	1.33%	1.77%	2.41%	2.88%	3.36%	3.36%	3.50%	3.50%	3.76%	3.96%	3.96%	3.96%	4.20%	4.20%	4.20%
2014Q2	13,778,278	0.00%	0.00%	0.00%	1.44%	1.89%	2.68%	2.92%	3.04%	3.04%	3.61%	3.80%	3.99%	4.11%	4.29%	4.29%	4.38%	4.43%	4.52%	4.52%	
2014Q3	10,755,056	0.00%	0.00%	0.00%	1.93%	2.36%	3.55%	3.55%	4.16%	4.36%	4.69%	4.88%	4.88%	5.17%	5.34%	5.54%	5.83%	5.88%	5.88%		
2014Q4	18,112,828	0.00%	0.00%	0.97%	1.25%	1.76%	2.22%	3.03%	3.46%	3.82%	3.95%	4.70%	4.90%	5.09%	5.21%	5.36%	5.60%	5.60%			
2015Q1	21,794,489	0.00%	0.00%	0.36%	1.65%	2.39%	2.86%	2.90%	3.38%	3.67%	3.81%	3.88%	3.88%	3.91%	4.26%	4.37%	4.56%				
2015Q2	24,021,955	0.00%	0.00%	0.12%	0.76%	2.01%	2.18%	2.76%	2.86%	2.95%	3.44%	3.60%	3.60%	3.63%	3.65%	3.81%					
2015Q3	19,322,964	0.00%	0.00%	0.42%	1.56%	1.90%	2.59%	2.65%	2.78%	3.26%	3.67%	3.78%	3.97%	4.08%	4.47%						
2015Q4	30,368,327	0.00%	0.00%	0.24%	0.77%	1.15%	1.28%	1.62%	1.74%	1.89%	2.11%	2.32%	2.32%	2.38%							
2016Q1	33,246,359	0.00%	0.00%	0.72%	1.39%	2.22%	2.66%	2.95%	3.22%	3.33%	3.48%	3.51%	3.52%								
2016Q2	32,598,278	0.00%	0.00%	0.75%	1.03%	1.47%	2.44%	2.63%	2.67%	2.82%	2.87%	3.02%									
2016Q3	25,428,525	0.00%	0.34%	1.92%	2.31%	3.10%	3.48%	3.48%	3.71%	4.37%	4.54%										
2016Q4	50,944,406	0.00%	0.00%	0.38%	0.60%	1.15%	1.40%	1.73%	1.97%	1.97%											
2017Q1	35,701,654	0.00%	0.00%	0.24%	1.23%	1.44%	1.92%	2.05%	2.26%												
2017Q2	40,007,382	0.00%	0.04%	0.61%	0.96%	1.89%	2.43%	2.91%													
2017Q3	40,060,632	0.00%	0.05%	0.21%	0.74%	1.73%	2.02%														
2017Q4	47,384,253	0.00%	0.00%	0.58%	0.91%	1.16%															
2018Q1	37,917,958	0.00%	0.03%	1.22%	1.53%																
2018Q2	35,673,421	0.00%	0.00%	0.58%																	
2018Q3	26,064,827	0.00%	0.08%																		
2018Q4	41,215,152	0.00%																			

Cumulated gross default rates - New vehicles / Amortising loans/ Private retail customer



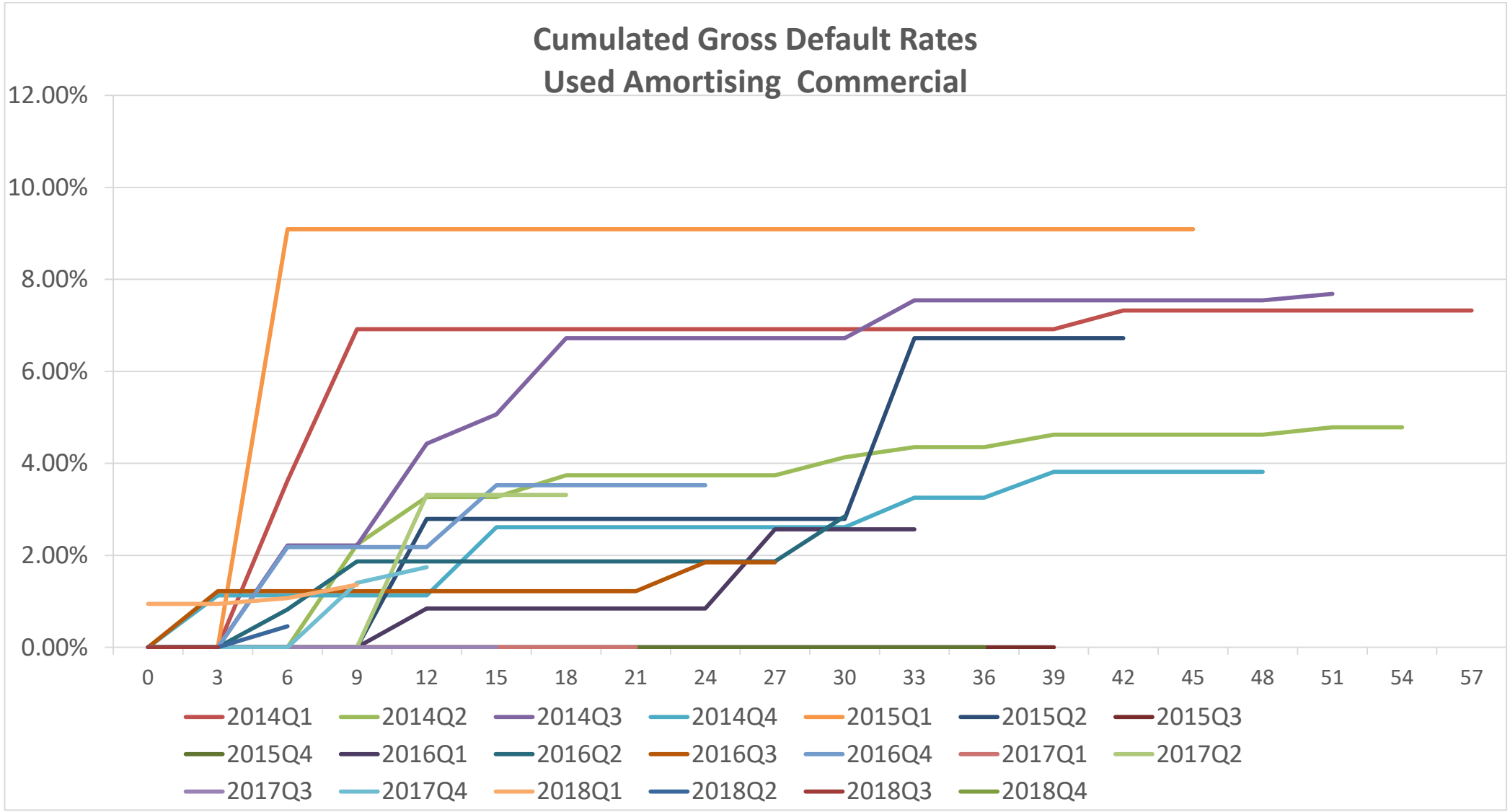
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	11,431,169	0.00%	0.00%	0.00%	0.00%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.22%	0.32%	0.32%	0.32%	0.32%	0.32%	0.38%	0.38%	0.38%	0.38%
2014Q2	12,468,719	0.00%	0.00%	0.00%	0.12%	0.12%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.24%	0.24%	0.24%	0.24%	
2014Q3	10,628,495	0.00%	0.00%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.72%	0.72%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%		
2014Q4	9,315,173	0.00%	0.00%	0.41%	0.76%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%			
2015Q1	12,885,633	0.00%	0.00%	0.38%	0.38%	0.38%	0.38%	0.38%	0.39%	0.39%	0.39%	0.39%	0.39%	0.43%	0.43%	0.43%	0.43%				
2015Q2	13,055,061	0.00%	0.00%	0.00%	0.39%	0.56%	0.91%	0.91%	0.91%	0.91%	0.91%	1.00%	1.00%	1.00%	1.00%	1.00%					
2015Q3	11,374,722	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%						
2015Q4	12,850,735	0.00%	0.00%	0.00%	0.00%	0.23%	0.23%	0.23%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%							
2016Q1	20,504,440	0.00%	0.00%	0.00%	0.07%	0.07%	0.07%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%								
2016Q2	23,120,496	0.00%	0.00%	0.07%	0.32%	0.32%	0.32%	0.37%	0.37%	0.39%	0.42%	0.42%									
2016Q3	16,215,446	0.00%	0.00%	0.09%	0.15%	0.26%	0.33%	0.39%	0.42%	0.42%	0.42%										
2016Q4	23,555,271	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.31%	0.33%	0.33%											
2017Q1	24,572,974	0.00%	0.00%	0.06%	0.06%	0.18%	0.18%	0.18%	0.18%												
2017Q2	27,944,213	0.06%	0.06%	0.06%	0.10%	0.13%	0.18%	0.31%													
2017Q3	23,311,077	0.00%	0.00%	0.00%	0.17%	0.17%	0.32%														
2017Q4	22,139,358	0.00%	0.00%	0.24%	0.24%	0.24%															
2018Q1	20,794,104	0.00%	0.00%	0.00%	0.00%																
2018Q2	16,785,966	0.00%	0.00%	0.12%																	
2018Q3	13,271,570	0.00%	0.00%																		
2018Q4	19,027,547	0.25%																			

Cumulated gross default rates - New vehicles / Balloon loans/ Private retail customer



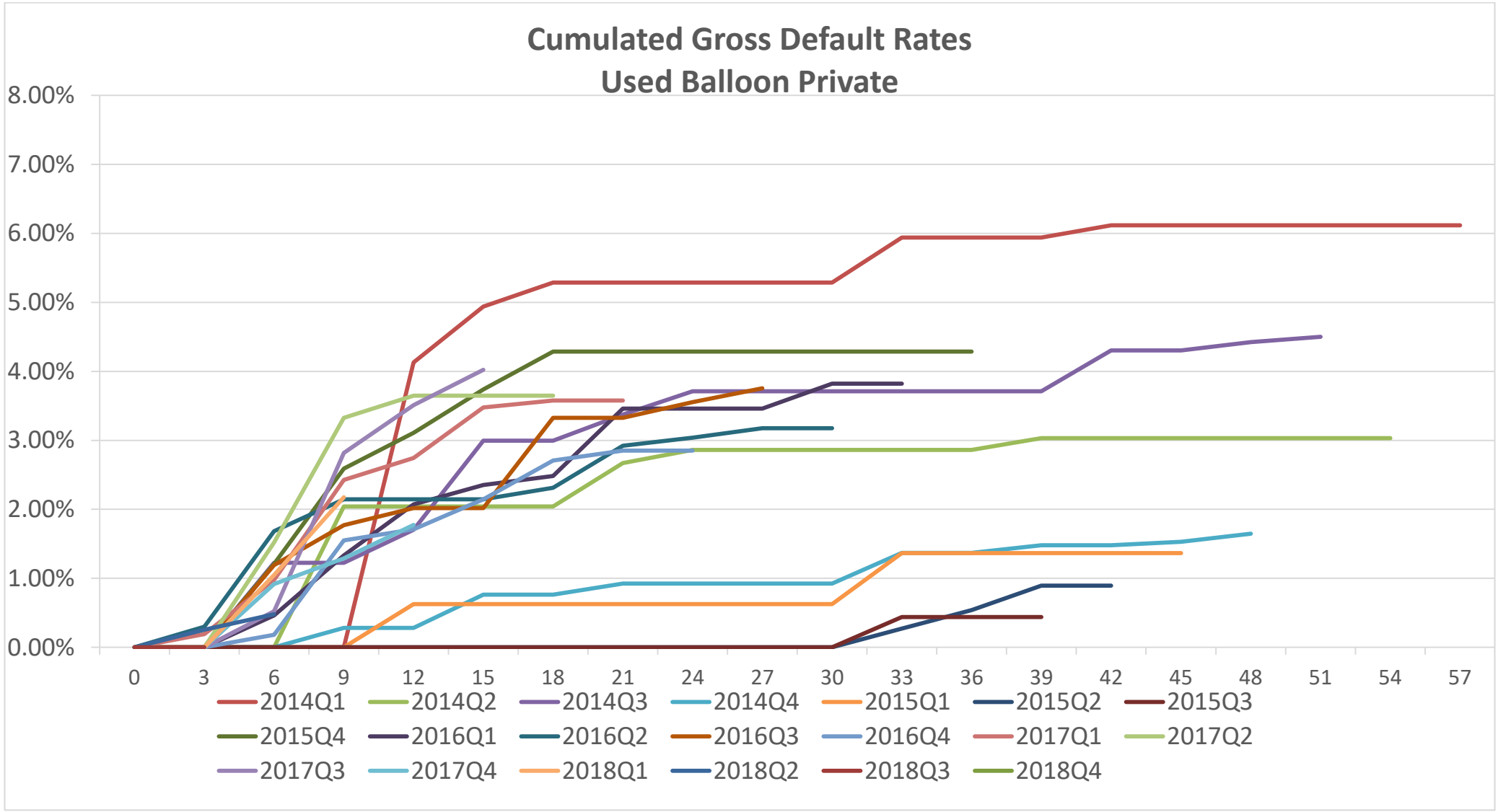
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	21,421,691	0.00%	0.00%	0.10%	0.59%	1.74%	1.92%	2.41%	2.55%	2.55%	2.59%	2.91%	3.04%	3.21%	3.54%	3.57%	3.57%	3.57%	3.60%	3.66%	3.66%
2014Q2	23,660,627	0.00%	0.00%	0.17%	1.86%	2.26%	2.37%	2.54%	2.57%	2.60%	2.68%	2.82%	2.88%	2.96%	3.03%	3.03%	3.05%	3.07%	3.18%	3.27%	
2014Q3	17,054,579	0.00%	0.00%	0.38%	1.28%	1.66%	1.72%	1.76%	2.03%	2.08%	2.08%	2.27%	2.27%	2.52%	2.52%	2.52%	2.77%	2.77%	2.81%		
2014Q4	23,449,827	0.00%	0.14%	0.59%	1.71%	2.39%	2.44%	2.76%	2.86%	3.01%	3.21%	3.32%	3.37%	3.47%	3.61%	3.61%	3.61%	3.61%			
2015Q1	33,523,060	0.00%	0.00%	0.37%	0.57%	0.81%	1.41%	1.62%	1.64%	1.74%	1.91%	2.10%	2.22%	2.32%	2.39%	2.55%	2.65%				
2015Q2	38,924,260	0.00%	0.00%	0.43%	0.75%	1.30%	1.37%	1.57%	1.65%	1.76%	1.95%	1.97%	1.99%	2.02%	2.11%	2.26%					
2015Q3	31,278,229	0.10%	0.10%	0.28%	1.29%	1.51%	1.69%	1.76%	1.93%	2.02%	2.14%	2.24%	2.35%	2.44%	2.71%						
2015Q4	44,859,120	0.03%	0.16%	0.94%	2.20%	2.92%	3.18%	3.64%	3.91%	4.03%	4.13%	4.18%	4.24%	4.24%							
2016Q1	51,782,051	0.00%	0.00%	0.32%	0.67%	0.83%	0.93%	1.17%	1.42%	1.54%	1.55%	1.57%	1.62%								
2016Q2	50,628,507	0.00%	0.00%	0.35%	0.68%	1.18%	1.45%	1.57%	1.57%	1.66%	1.70%	1.89%									
2016Q3	33,749,719	0.00%	0.00%	0.52%	1.04%	1.52%	1.68%	1.68%	1.68%	1.70%	1.86%										
2016Q4	56,773,818	0.08%	0.08%	0.29%	0.67%	0.85%	1.03%	1.08%	1.14%	1.20%											
2017Q1	59,539,211	0.08%	0.15%	0.50%	0.72%	1.10%	1.13%	1.29%	1.33%												
2017Q2	70,859,738	0.00%	0.02%	0.35%	0.67%	0.74%	0.88%	1.05%													
2017Q3	71,441,131	0.02%	0.06%	0.34%	0.63%	0.84%	1.02%														
2017Q4	76,080,888	0.00%	0.02%	0.54%	1.14%	1.38%															
2018Q1	71,681,463	0.00%	0.00%	0.54%	0.88%																
2018Q2	57,385,644	0.00%	0.00%	0.41%																	
2018Q3	49,149,344	0.03%	0.03%																		
2018Q4	73,619,626	0.21%																			

Cumulated gross default rates - Used vehicles / Amortising loans/ Commercial retail customer



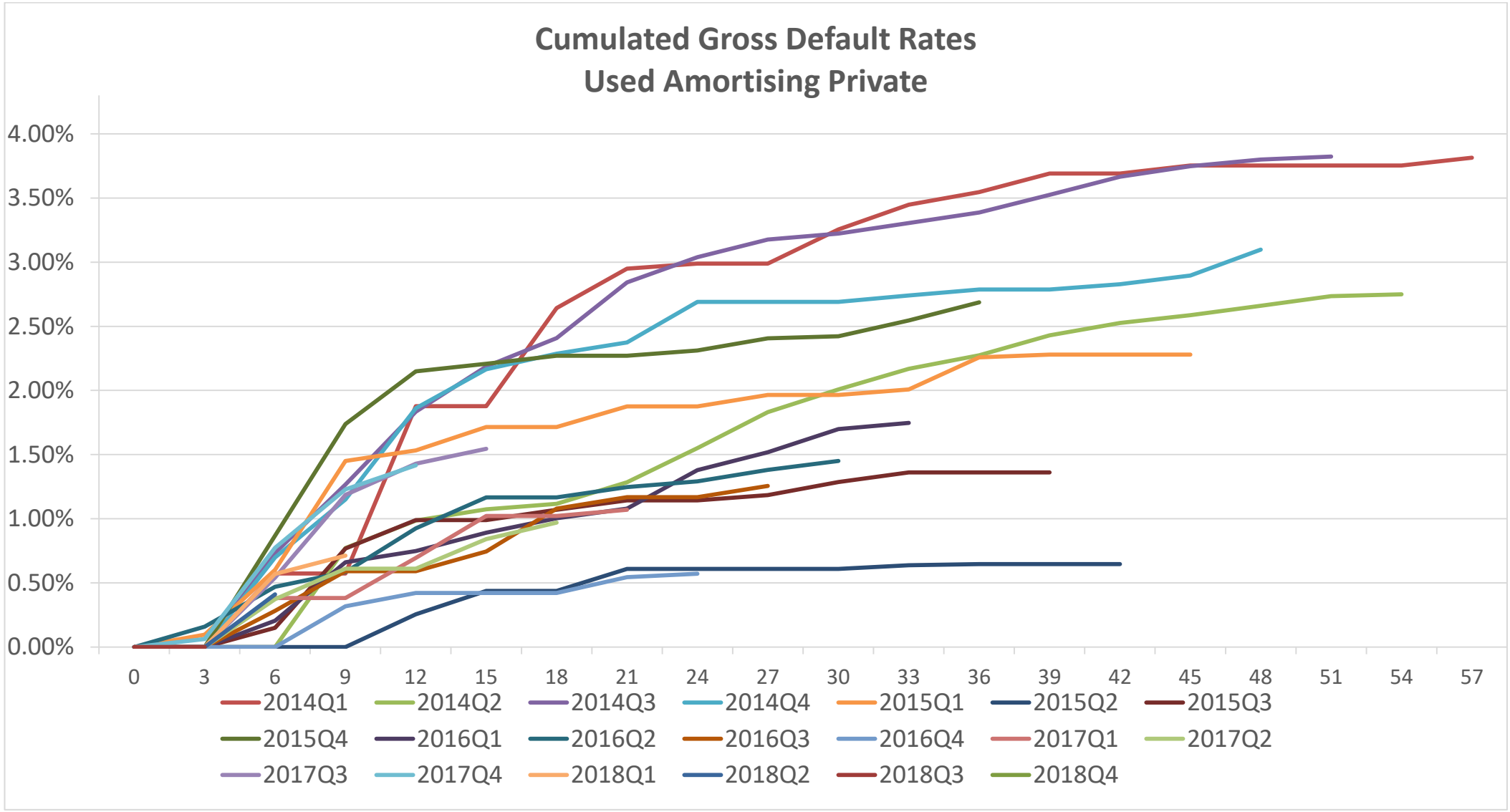
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	379,720	0.00%	0.00%	3.62%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%
2014Q2	1,567,144	0.00%	0.00%	0.00%	2.23%	3.27%	3.27%	3.74%	3.74%	3.74%	3.74%	4.13%	4.35%	4.35%	4.62%	4.62%	4.62%	4.62%	4.78%	4.78%	
2014Q3	1,155,484	0.00%	0.00%	2.21%	2.21%	4.43%	5.07%	6.72%	6.72%	6.72%	6.72%	6.72%	7.55%	7.55%	7.55%	7.55%	7.55%	7.55%	7.69%		
2014Q4	778,682	0.00%	1.13%	1.13%	1.13%	1.13%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	3.26%	3.26%	3.81%	3.81%	3.81%	3.81%			
2015Q1	413,901	0.00%	0.00%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%				
2015Q2	549,158	0.00%	0.00%	0.00%	0.00%	2.79%	2.79%	2.79%	2.79%	2.79%	2.79%	2.79%	6.72%	6.72%	6.72%	6.72%					
2015Q3	671,350	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%						
2015Q4	708,269	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%							
2016Q1	628,071	0.00%	0.00%	0.00%	0.00%	0.84%	0.84%	0.84%	0.84%	0.84%	2.57%	2.57%	2.57%								
2016Q2	905,445	0.00%	0.00%	0.83%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	2.85%									
2016Q3	820,686	0.00%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.85%	1.85%										
2016Q4	976,534	0.00%	0.00%	2.18%	2.18%	2.18%	3.52%	3.52%	3.52%	3.52%											
2017Q1	753,984	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%												
2017Q2	759,966	0.00%	0.00%	0.00%	0.00%	3.31%	3.31%	3.31%													
2017Q3	579,342	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%														
2017Q4	1,014,059	0.00%	0.00%	0.00%	1.40%	1.74%															
2018Q1	9,581,553	0.94%	0.94%	1.07%	1.36%																
2018Q2	10,803,745	0.00%	0.00%	0.46%																	
2018Q3	7,549,825	0.00%	0.00%																		
2018Q4	9,873,191	0.00%																			

Cumulated gross default rates - Used vehicles / Balloon loans / Private retail customer



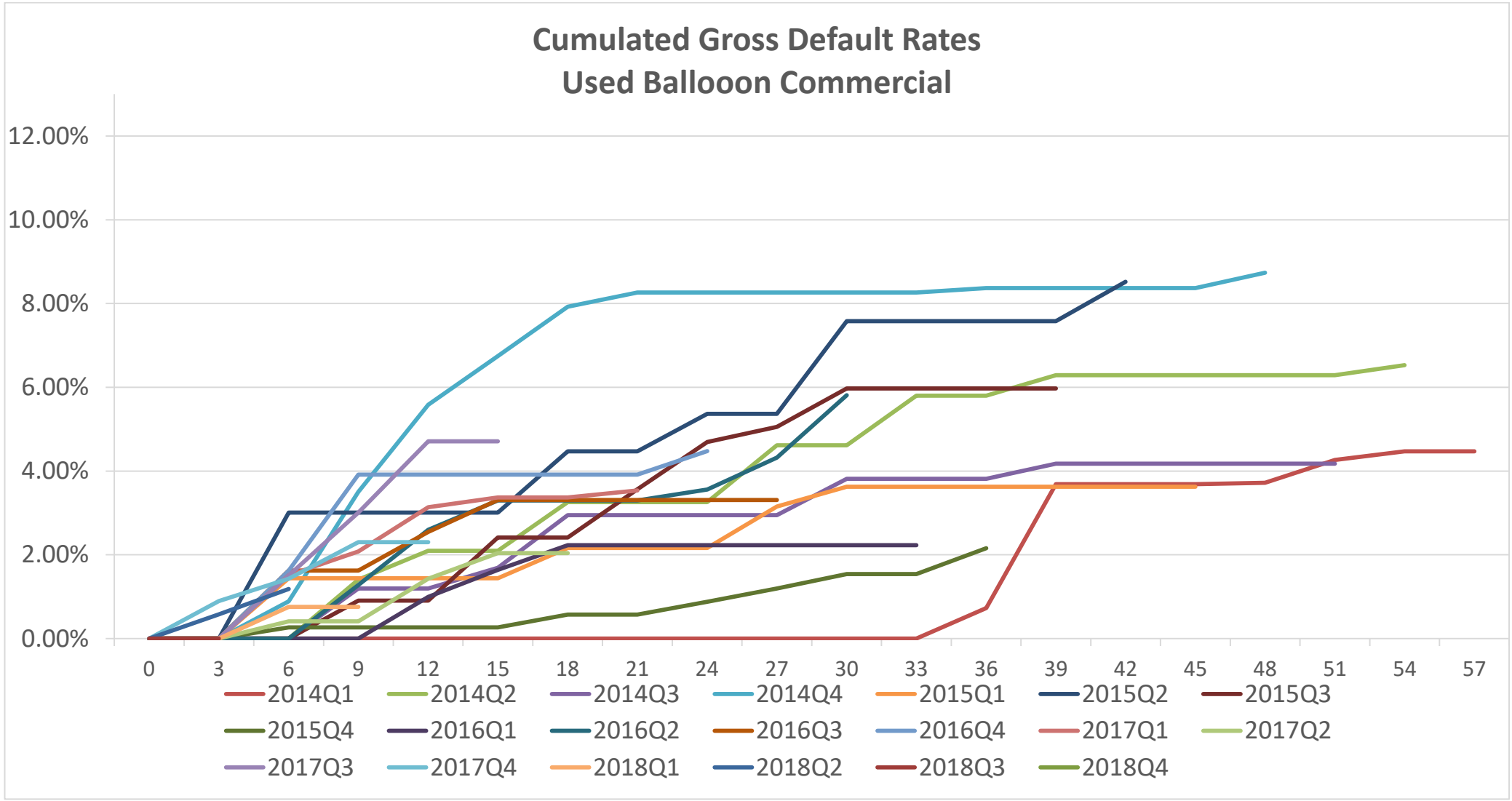
Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	1,875,453	0.00%	0.00%	0.00%	0.00%	4.13%	4.94%	5.29%	5.29%	5.29%	5.29%	5.29%	5.94%	5.94%	5.94%	6.12%	6.12%	6.12%	6.12%	6.12%	6.12%
2014Q2	3,222,250	0.00%	0.00%	0.00%	2.04%	2.04%	2.04%	2.04%	2.67%	2.86%	2.86%	2.86%	2.86%	2.86%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	
2014Q3	3,722,008	0.00%	0.00%	1.23%	1.23%	1.71%	3.00%	3.00%	3.37%	3.71%	3.71%	3.71%	3.71%	3.71%	3.71%	4.30%	4.30%	4.43%	4.50%		
2014Q4	3,763,297	0.00%	0.00%	0.00%	0.28%	0.28%	0.76%	0.76%	0.93%	0.93%	0.93%	0.93%	1.37%	1.37%	1.48%	1.48%	1.53%	1.65%			
2015Q1	3,136,651	0.00%	0.00%	0.00%	0.00%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	1.37%	1.37%	1.37%	1.37%	1.37%				
2015Q2	3,463,840	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.54%	0.89%	0.89%					
2015Q3	3,224,873	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.44%	0.44%						
2015Q4	5,468,415	0.00%	0.00%	1.21%	2.59%	3.11%	3.74%	4.29%	4.29%	4.29%	4.29%	4.29%	4.29%	4.29%							
2016Q1	5,688,672	0.00%	0.00%	0.46%	1.33%	2.07%	2.35%	2.48%	3.46%	3.46%	3.46%	3.82%	3.82%								
2016Q2	6,337,640	0.00%	0.30%	1.68%	2.14%	2.14%	2.14%	2.31%	2.92%	3.04%	3.17%	3.17%									
2016Q3	5,693,116	0.00%	0.00%	1.19%	1.77%	2.02%	2.02%	3.33%	3.33%	3.56%	3.76%										
2016Q4	7,875,136	0.00%	0.00%	0.18%	1.55%	1.71%	2.15%	2.71%	2.85%	2.85%											
2017Q1	8,931,770	0.00%	0.19%	0.98%	2.42%	2.74%	3.48%	3.58%	3.58%												
2017Q2	8,118,837	0.00%	0.00%	1.52%	3.33%	3.65%	3.65%	3.65%													
2017Q3	7,585,388	0.00%	0.00%	0.52%	2.82%	3.51%	4.02%														
2017Q4	9,088,077	0.00%	0.00%	0.92%	1.29%	1.77%															
2018Q1	9,185,796	0.00%	0.00%	1.05%	2.18%																
2018Q2	11,487,797	0.00%	0.25%	0.48%																	
2018Q3	9,241,786	0.00%	0.00%																		
2018Q4	12,822,486	0.00%																			

Cumulated gross default rates - Used vehicles / Amortising loans/ Private retail customer



Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	5,418,028	0.00%	0.00%	0.57%	0.57%	1.88%	1.88%	2.64%	2.95%	2.99%	2.99%	3.25%	3.45%	3.55%	3.69%	3.69%	3.75%	3.75%	3.75%	3.75%	3.81%
2014Q2	17,090,215	0.00%	0.00%	0.00%	0.77%	0.99%	1.07%	1.12%	1.28%	1.55%	1.83%	2.01%	2.17%	2.27%	2.43%	2.53%	2.59%	2.66%	2.73%	2.75%	
2014Q3	12,139,826	0.00%	0.00%	0.73%	1.27%	1.83%	2.19%	2.41%	2.84%	3.04%	3.18%	3.22%	3.30%	3.39%	3.53%	3.67%	3.75%	3.80%	3.82%		
2014Q4	9,975,770	0.00%	0.00%	0.70%	1.15%	1.86%	2.17%	2.29%	2.37%	2.69%	2.69%	2.69%	2.74%	2.79%	2.79%	2.83%	2.90%	3.10%			
2015Q1	7,853,499	0.00%	0.10%	0.60%	1.45%	1.53%	1.71%	1.71%	1.88%	1.88%	1.96%	1.96%	2.01%	2.26%	2.28%	2.28%	2.28%				
2015Q2	7,459,331	0.00%	0.00%	0.00%	0.00%	0.25%	0.44%	0.44%	0.61%	0.61%	0.61%	0.61%	0.64%	0.65%	0.65%	0.65%					
2015Q3	7,746,749	0.00%	0.00%	0.15%	0.77%	0.99%	0.99%	1.07%	1.14%	1.14%	1.18%	1.29%	1.36%	1.36%	1.36%						
2015Q4	11,008,573	0.00%	0.00%	0.87%	1.74%	2.15%	2.21%	2.27%	2.27%	2.31%	2.41%	2.42%	2.55%	2.69%							
2016Q1	13,193,401	0.00%	0.00%	0.21%	0.66%	0.75%	0.89%	1.00%	1.08%	1.38%	1.52%	1.70%	1.75%								
2016Q2	14,684,351	0.00%	0.16%	0.47%	0.58%	0.93%	1.17%	1.17%	1.25%	1.29%	1.38%	1.45%									
2016Q3	9,846,545	0.00%	0.00%	0.28%	0.59%	0.59%	0.74%	1.08%	1.17%	1.17%	1.26%										
2016Q4	13,584,060	0.00%	0.00%	0.00%	0.32%	0.42%	0.42%	0.42%	0.54%	0.57%											
2017Q1	15,982,500	0.00%	0.00%	0.38%	0.38%	0.69%	1.02%	1.02%	1.07%												
2017Q2	14,913,789	0.00%	0.00%	0.37%	0.61%	0.61%	0.84%	0.97%													
2017Q3	14,003,397	0.00%	0.00%	0.54%	1.19%	1.43%	1.54%														
2017Q4	18,272,721	0.00%	0.06%	0.77%	1.23%	1.42%															
2018Q1	16,870,527	0.00%	0.00%	0.57%	0.71%																
2018Q2	17,809,553	0.00%	0.00%	0.41%																	
2018Q3	14,618,520	0.00%	0.00%																		
2018Q4	17,514,439	0.00%																			

Cumulated gross default rates - Used vehicles / Balloon loans/ Commercial retail customer



Quarter of Origination	Originated Amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	1,524,307	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%	3.69%	3.69%	3.69%	3.72%	4.26%	4.47%	4.47%
2014Q2	1,642,250	0.00%	0.00%	0.00%	1.41%	2.10%	2.10%	3.26%	3.26%	3.26%	4.62%	4.62%	5.80%	5.80%	6.29%	6.29%	6.29%	6.29%	6.29%	6.53%	
2014Q3	1,871,287	0.00%	0.00%	0.00%	1.20%	1.20%	1.69%	2.95%	2.95%	2.95%	2.95%	3.81%	3.81%	3.81%	4.18%	4.18%	4.18%	4.18%	4.18%		
2014Q4	2,368,841	0.00%	0.00%	0.89%	3.50%	5.58%	6.75%	7.93%	8.26%	8.26%	8.26%	8.26%	8.26%	8.37%	8.37%	8.37%	8.37%	8.74%			
2015Q1	2,329,650	0.00%	0.00%	1.44%	1.44%	1.44%	1.44%	2.16%	2.16%	2.16%	3.15%	3.63%	3.63%	3.63%	3.63%	3.63%	3.63%				
2015Q2	2,039,876	0.00%	0.00%	3.01%	3.01%	3.01%	3.01%	4.47%	4.47%	5.37%	5.37%	7.58%	7.58%	7.58%	7.58%	8.52%					
2015Q3	1,667,334	0.00%	0.00%	0.00%	0.90%	0.90%	2.42%	2.42%	3.56%	4.69%	5.06%	5.97%	5.97%	5.97%	5.97%						
2015Q4	2,688,874	0.00%	0.00%	0.27%	0.27%	0.27%	0.27%	0.57%	0.57%	0.88%	1.19%	1.54%	1.54%	2.16%							
2016Q1	3,515,808	0.00%	0.00%	0.00%	0.00%	0.99%	1.64%	2.23%	2.23%	2.23%	2.23%	2.23%	2.23%								
2016Q2	3,494,945	0.00%	0.00%	0.00%	1.28%	2.60%	3.30%	3.30%	3.30%	3.56%	4.32%	5.81%									
2016Q3	2,894,127	0.00%	0.00%	1.62%	1.62%	2.55%	3.31%	3.31%	3.31%	3.31%	3.31%										
2016Q4	3,639,818	0.00%	0.00%	1.63%	3.92%	3.92%	3.92%	3.92%	3.92%	4.48%											
2017Q1	4,533,110	0.00%	0.00%	1.51%	2.08%	3.14%	3.37%	3.37%	3.53%												
2017Q2	3,916,940	0.00%	0.00%	0.41%	0.41%	1.43%	2.04%	2.04%													
2017Q3	3,032,995	0.00%	0.00%	1.51%	3.01%	4.71%	4.71%														
2017Q4	4,760,360	0.00%	0.89%	1.43%	2.30%	2.30%															
2018Q1	4,190,648	0.00%	0.00%	0.76%	0.76%																
2018Q2	4,883,811	0.00%	0.58%	1.18%																	
2018Q3	3,911,466	0.00%	0.00%																		
2018Q4	5,962,063	0.00%																			

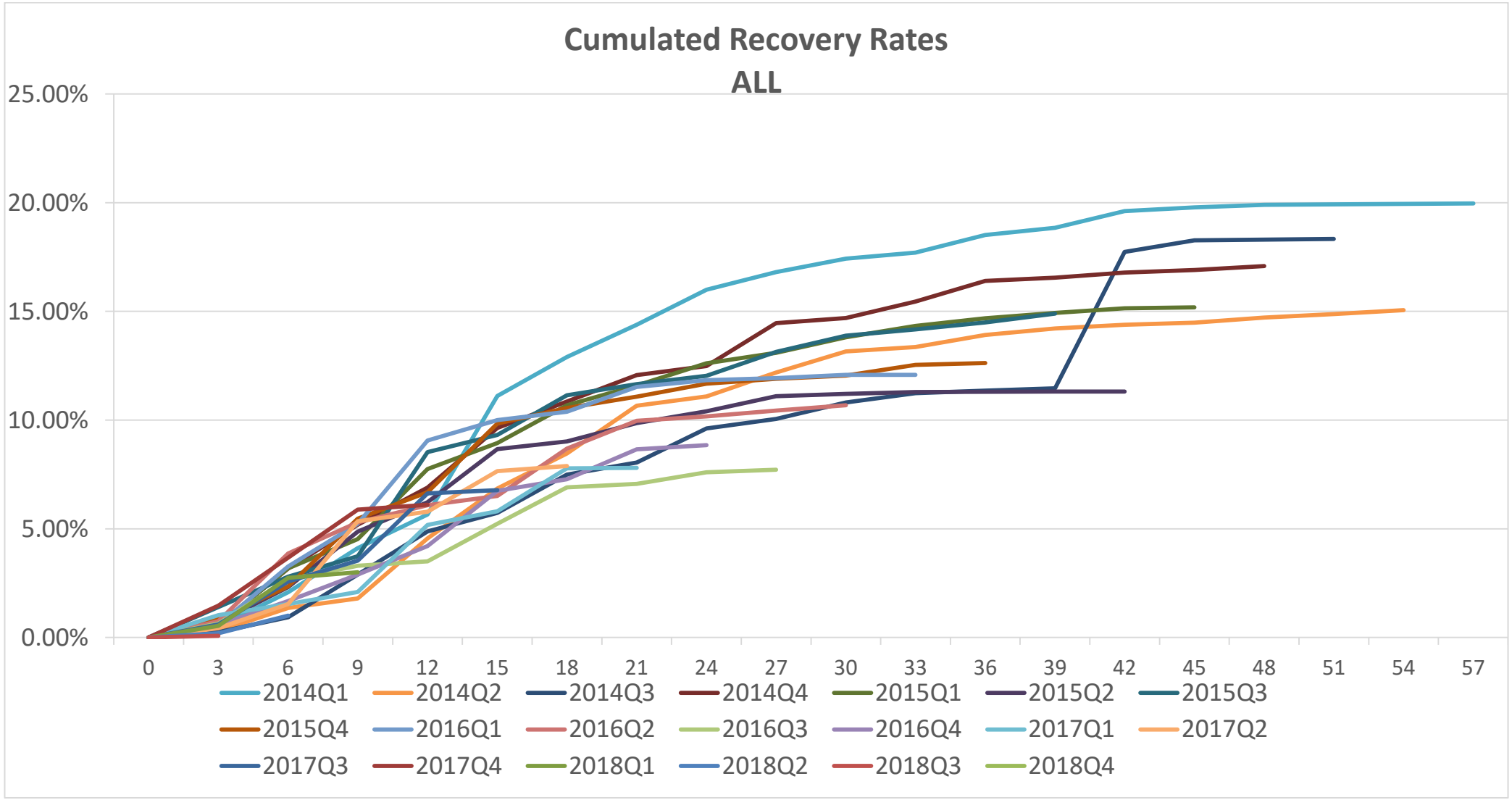
Recovery Analysis (Q1 2014 – Q4 2018)

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of:

iii. the cumulative recovered amounts recorded between the quarter when such loans were defaulted and the relevant month, to

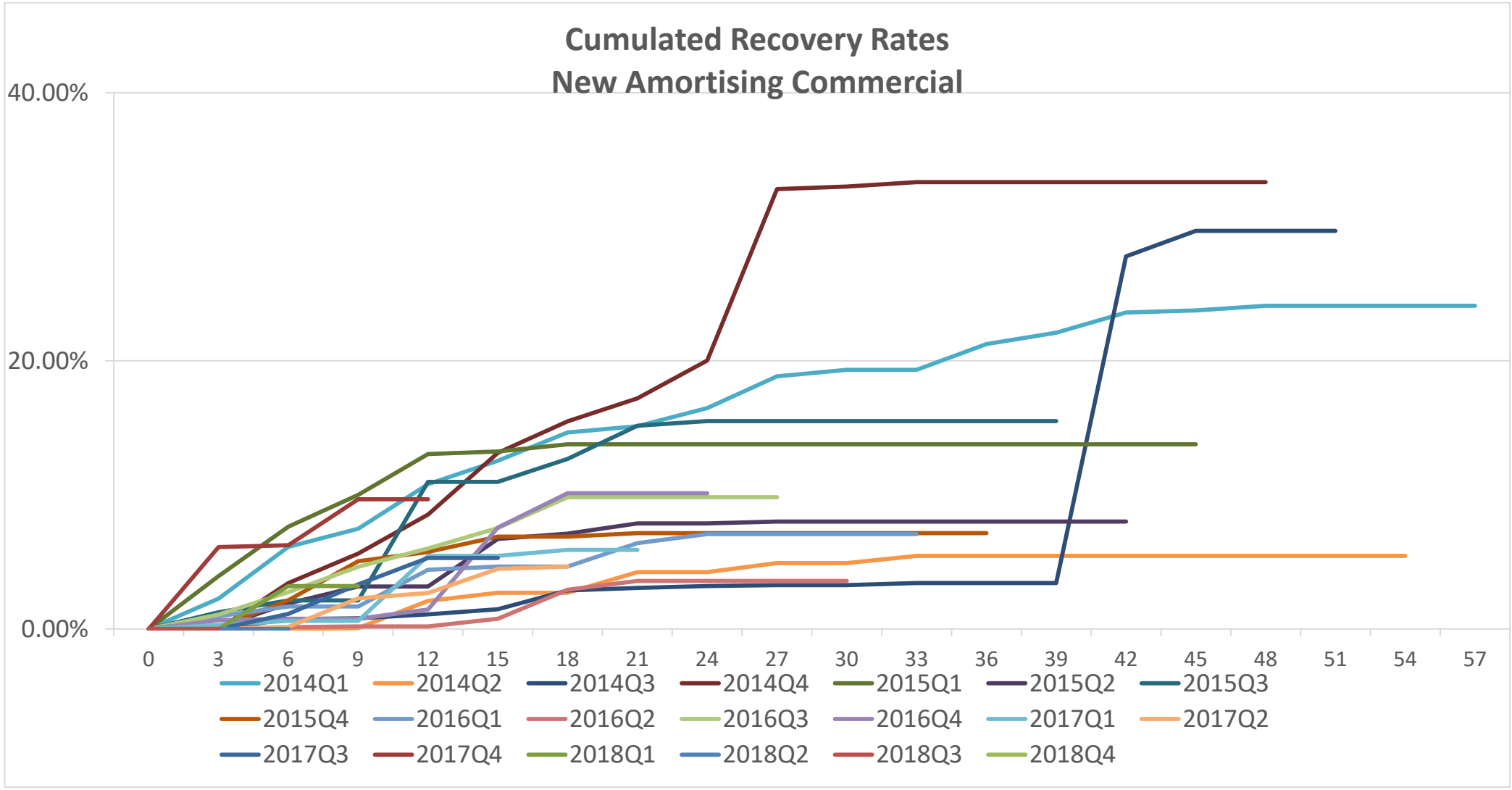
iv. the gross defaulted amount of such loans.

Cumulated recovery rates - Total portfolio



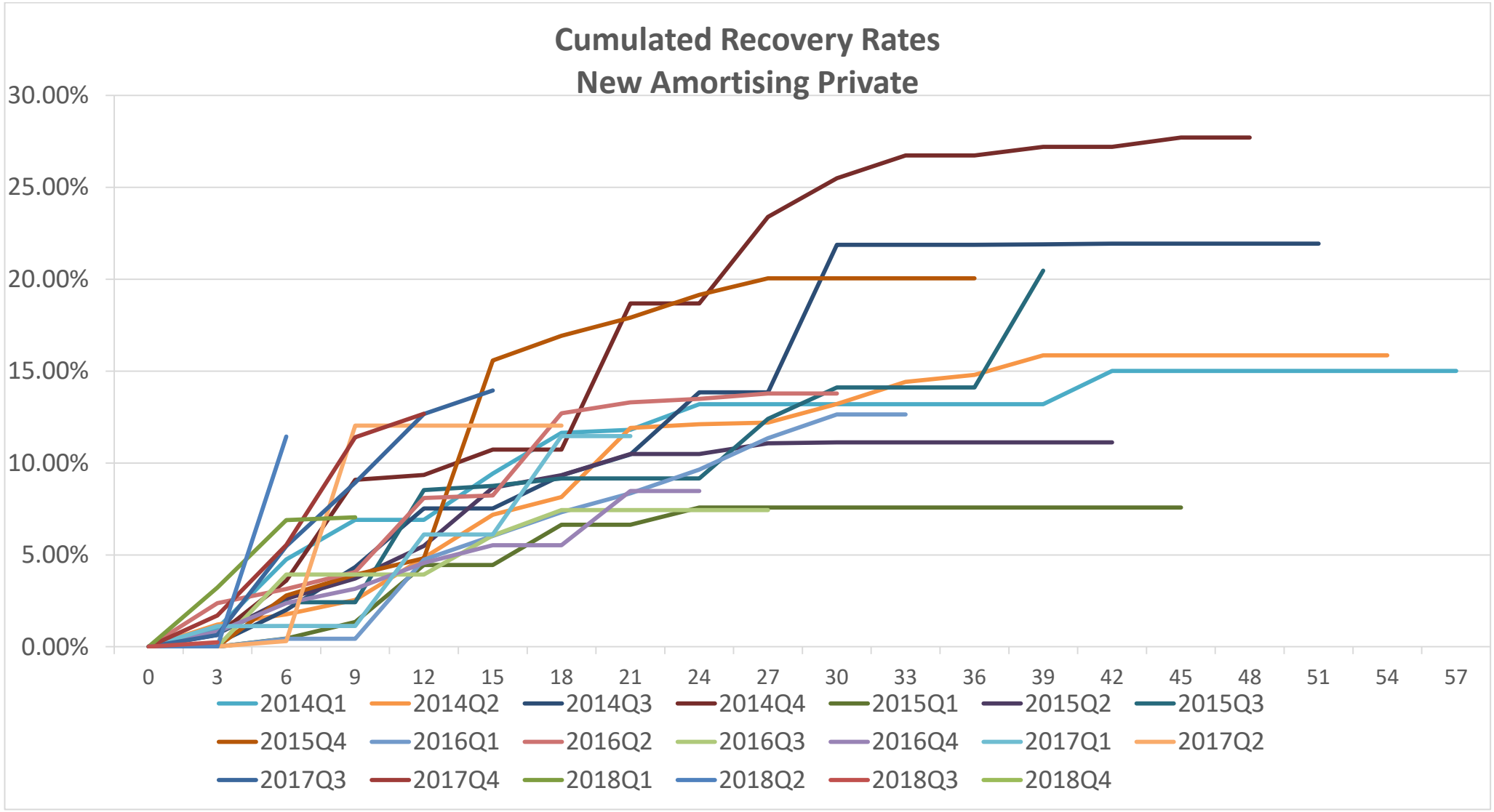
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	2,226,418.11	0.00%	0.49%	2.09%	4.11%	5.65%	11.11%	12.90%	14.39%	16.00%	16.81%	17.42%	17.70%	18.52%	18.85%	19.61%	19.79%	19.90%	19.92%	19.94%	19.97%
2014Q2	2,248,649.08	0.00%	0.29%	1.36%	1.80%	4.56%	6.86%	8.47%	10.66%	11.09%	12.19%	13.16%	13.36%	13.91%	14.22%	14.39%	14.49%	14.72%	14.88%	15.06%	
2014Q3	2,567,052.67	0.00%	0.24%	0.93%	2.89%	4.88%	5.74%	7.50%	8.05%	9.61%	10.05%	10.81%	11.24%	11.36%	11.46%	17.74%	18.27%	18.30%	18.33%		
2014Q4	2,836,451.44	0.00%	0.59%	3.17%	5.19%	6.90%	9.64%	10.86%	12.07%	12.49%	14.46%	14.69%	15.46%	16.40%	16.55%	16.79%	16.91%	17.09%			
2015Q1	2,929,111.33	0.00%	0.54%	3.19%	4.53%	7.75%	8.94%	10.69%	11.59%	12.61%	13.10%	13.81%	14.33%	14.69%	14.93%	15.15%	15.19%				
2015Q2	2,929,885.11	0.00%	0.69%	2.32%	4.86%	6.22%	8.66%	9.02%	9.86%	10.40%	11.10%	11.20%	11.29%	11.30%	11.31%	11.31%					
2015Q3	2,863,583.94	0.00%	1.40%	2.80%	3.74%	8.53%	9.32%	11.15%	11.66%	12.04%	13.14%	13.89%	14.17%	14.50%	14.90%						
2015Q4	3,117,785.02	0.00%	0.84%	2.35%	5.47%	6.68%	9.84%	10.56%	11.08%	11.67%	11.90%	12.05%	12.54%	12.63%							
2016Q1	2,315,110.23	0.00%	0.57%	3.27%	5.23%	9.06%	10.00%	10.39%	11.52%	11.84%	11.94%	12.08%	12.09%								
2016Q2	4,067,135.66	0.00%	0.75%	3.86%	5.29%	6.08%	6.51%	8.69%	9.96%	10.17%	10.44%	10.68%									
2016Q3	3,229,761.60	0.00%	0.65%	2.67%	3.30%	3.50%	5.24%	6.90%	7.06%	7.60%	7.72%										
2016Q4	4,096,544.75	0.00%	0.57%	1.68%	2.90%	4.20%	6.75%	7.28%	8.65%	8.85%											
2017Q1	2,965,170.51	0.00%	1.02%	1.54%	2.09%	5.17%	5.80%	7.78%	7.81%												
2017Q2	3,573,075.00	0.00%	0.43%	1.54%	5.35%	5.78%	7.66%	7.89%													
2017Q3	3,828,410.82	0.00%	0.60%	2.57%	3.53%	6.63%	6.78%														
2017Q4	3,350,820.85	0.00%	1.47%	3.67%	5.88%	6.10%															
2018Q1	3,399,831.44	0.00%	0.54%	2.75%	3.00%																
2018Q2	4,139,447.48	0.00%	0.19%	1.00%																	
2018Q3	4,566,599.17	0.00%	0.07%																		
2018Q4	3,871,189.97	0.00%																			

Cumulated recovery rates - New vehicles / Amortising loans/ Commercial retail customer



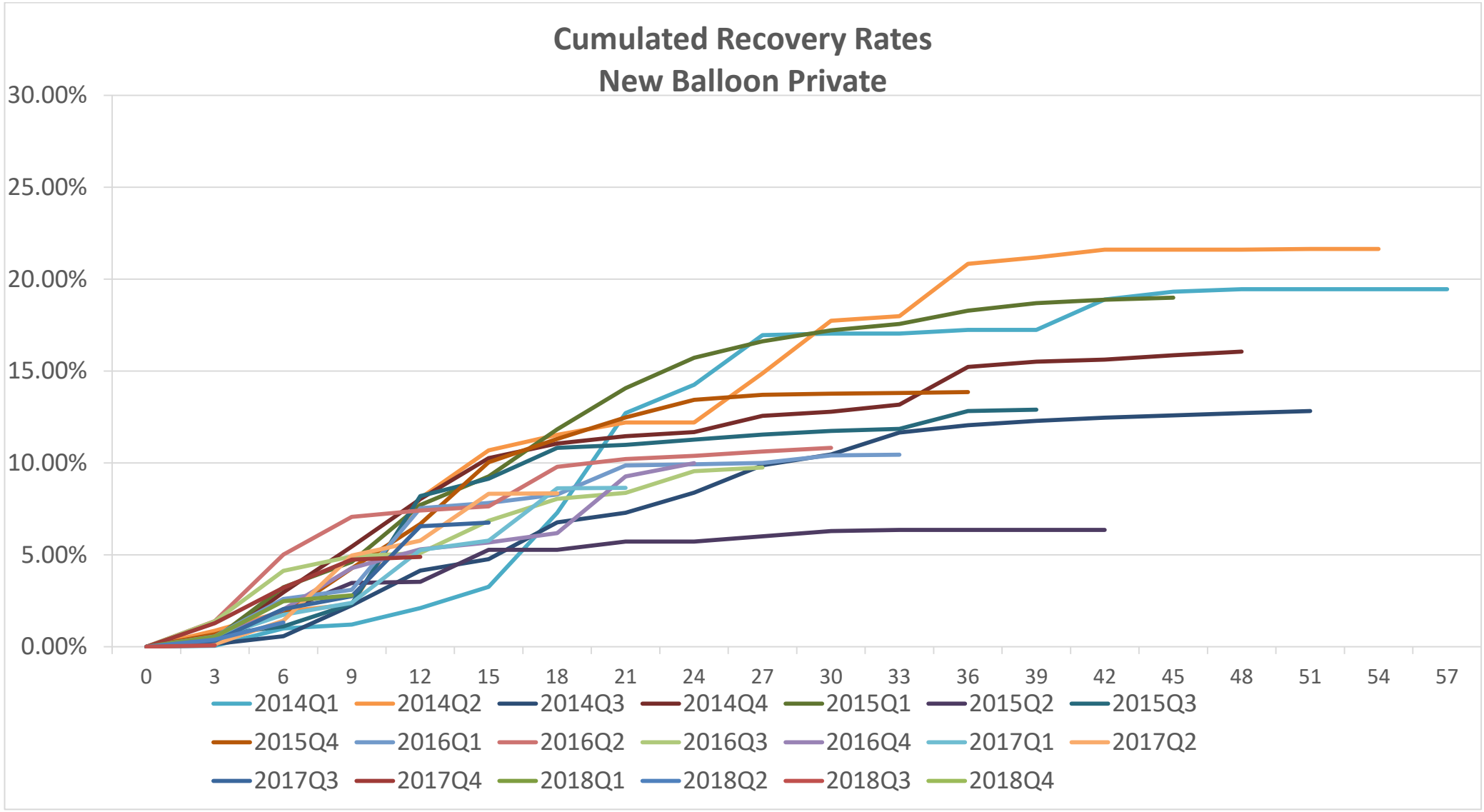
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	208,978.73	0.00%	2.27%	6.13%	7.48%	10.80%	12.54%	14.65%	15.12%	16.48%	18.86%	19.33%	19.33%	21.25%	22.11%	23.61%	23.76%	24.12%	24.12%	24.12%	24.12%
2014Q2	267,237.88	0.00%	0.00%	0.00%	0.07%	2.09%	2.70%	2.70%	4.24%	4.24%	4.91%	4.91%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	
2014Q3	655,766.10	0.00%	0.03%	0.72%	0.79%	1.10%	1.47%	2.87%	3.07%	3.20%	3.27%	3.27%	3.42%	3.42%	3.42%	27.80%	29.71%	29.71%	29.71%		
2014Q4	155,727.71	0.00%	0.00%	3.42%	5.63%	8.53%	13.14%	15.48%	17.20%	20.02%	32.81%	33.00%	33.34%	33.34%	33.34%	33.34%	33.34%	33.34%			
2015Q1	136,567.83	0.00%	3.94%	7.64%	10.00%	13.05%	13.25%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%	13.78%				
2015Q2	351,094.10	0.00%	0.13%	1.90%	3.16%	3.16%	6.72%	7.11%	7.88%	7.88%	8.01%	8.01%	8.02%	8.02%	8.02%	8.02%					
2015Q3	271,104.32	0.00%	1.25%	2.12%	2.12%	10.98%	10.98%	12.69%	15.16%	15.51%	15.51%	15.51%	15.51%	15.51%	15.51%						
2015Q4	315,934.03	0.00%	0.14%	2.15%	5.06%	5.75%	6.88%	6.88%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%							
2016Q1	178,940.27	0.00%	0.96%	1.67%	1.67%	4.41%	4.65%	4.65%	6.41%	7.08%	7.08%	7.08%	7.08%								
2016Q2	305,779.52	0.00%	0.00%	0.14%	0.19%	0.19%	0.76%	2.93%	3.59%	3.59%	3.59%	3.59%									
2016Q3	181,220.60	0.00%	1.07%	2.76%	4.63%	6.01%	7.53%	9.83%	9.83%	9.83%	9.83%										
2016Q4	586,442.82	0.00%	0.66%	0.77%	0.77%	1.45%	7.56%	10.12%	10.12%	10.12%											
2017Q1	262,017.47	0.00%	0.30%	0.60%	0.60%	5.45%	5.45%	5.89%	5.89%												
2017Q2	435,700.88	0.00%	0.00%	0.15%	2.29%	2.69%	4.48%	4.66%													
2017Q3	110,999.64	0.00%	0.00%	1.12%	3.32%	5.29%	5.29%														
2017Q4	65,438.27	0.00%	6.10%	6.25%	9.68%	9.68%															
2018Q1	153,072.96	0.00%	0.00%	3.20%	3.20%																
2018Q2	165,741.65	0.00%	0.00%	0.00%																	
2018Q3	185,071.62	0.00%	0.00%																		
2018Q4	193,347.34	0.00%																			

Cumulated recovery rates - New vehicles/Amortising loans/Private retail customers



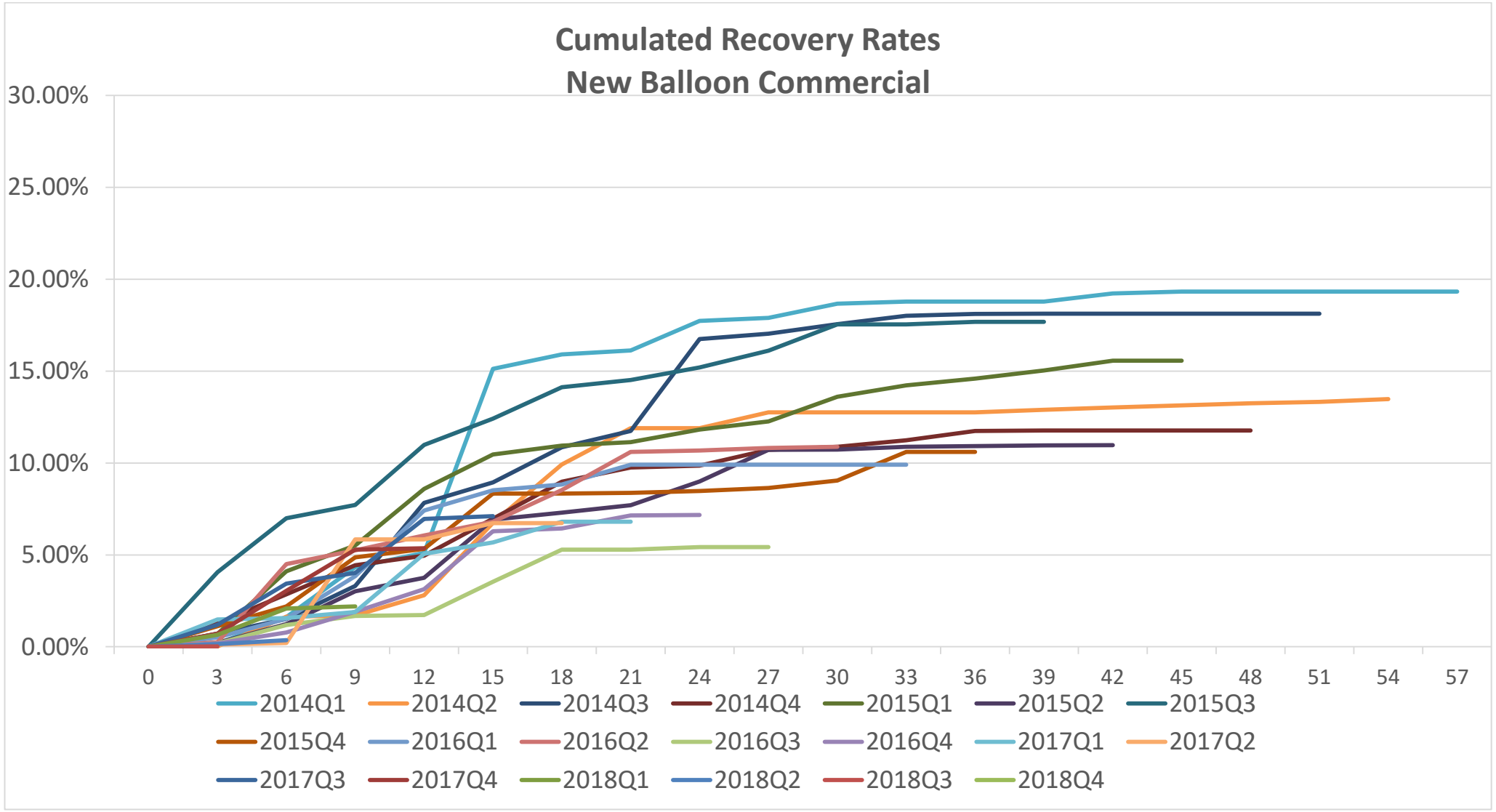
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	66,457.58	0.00%	1.00%	4.75%	6.90%	6.90%	9.43%	11.64%	11.81%	13.20%	13.20%	13.20%	13.20%	13.20%	13.20%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
2014Q2	134,970.15	0.00%	1.21%	1.76%	2.56%	4.85%	7.19%	8.15%	11.91%	12.11%	12.19%	13.21%	14.42%	14.80%	15.85%	15.85%	15.85%	15.85%	15.85%	15.85%	
2014Q3	146,234.29	0.00%	0.19%	2.01%	4.34%	7.53%	7.53%	9.33%	10.46%	13.85%	13.85%	21.87%	21.87%	21.87%	21.90%	21.94%	21.94%	21.94%	21.94%		
2014Q4	135,504.95	0.00%	0.65%	3.60%	9.09%	9.35%	10.73%	10.73%	18.68%	18.68%	23.38%	25.49%	26.73%	26.73%	27.19%	27.19%	27.70%	27.70%			
2015Q1	169,552.39	0.00%	0.00%	0.45%	1.35%	4.45%	4.45%	6.64%	6.64%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%				
2015Q2	145,625.18	0.00%	0.70%	2.62%	3.72%	5.49%	8.65%	9.34%	10.49%	10.49%	11.08%	11.12%	11.12%	11.12%	11.12%	11.12%					
2015Q3	136,543.14	0.00%	0.76%	2.42%	2.42%	8.53%	8.75%	9.16%	9.16%	9.16%	12.40%	14.12%	14.12%	14.12%	20.47%						
2015Q4	178,058.31	0.00%	0.00%	2.79%	3.92%	4.82%	15.57%	16.92%	17.90%	19.14%	20.04%	20.04%	20.04%	20.04%							
2016Q1	116,497.76	0.00%	0.00%	0.44%	0.44%	4.75%	6.03%	7.32%	8.35%	9.64%	11.35%	12.64%	12.64%								
2016Q2	119,334.34	0.00%	2.38%	3.15%	4.07%	8.09%	8.24%	12.70%	13.30%	13.49%	13.78%	13.78%									
2016Q3	101,847.00	0.00%	0.00%	3.93%	3.93%	3.93%	6.06%	7.44%	7.44%	7.44%	7.44%										
2016Q4	108,192.72	0.00%	0.82%	2.38%	3.16%	4.56%	5.52%	5.52%	8.47%	8.47%											
2017Q1	87,760.55	0.00%	1.12%	1.13%	1.13%	6.10%	6.10%	11.46%	11.46%												
2017Q2	67,279.34	0.00%	0.02%	0.31%	12.03%	12.03%	12.03%	12.03%													
2017Q3	70,779.43	0.00%	0.64%	5.47%	8.93%	12.67%	13.95%														
2017Q4	63,506.73	0.00%	1.70%	5.53%	11.40%	12.67%															
2018Q1	64,267.67	0.00%	3.23%	6.89%	7.05%																
2018Q2	117,265.64	0.00%	0.00%	11.44%																	
2018Q3	29,240.65	0.00%	0.25%																		
2018Q4	152,726.16	0.00%																			

Cumulated recovery rates - New vehicles/Balloon loans/Private retail customers



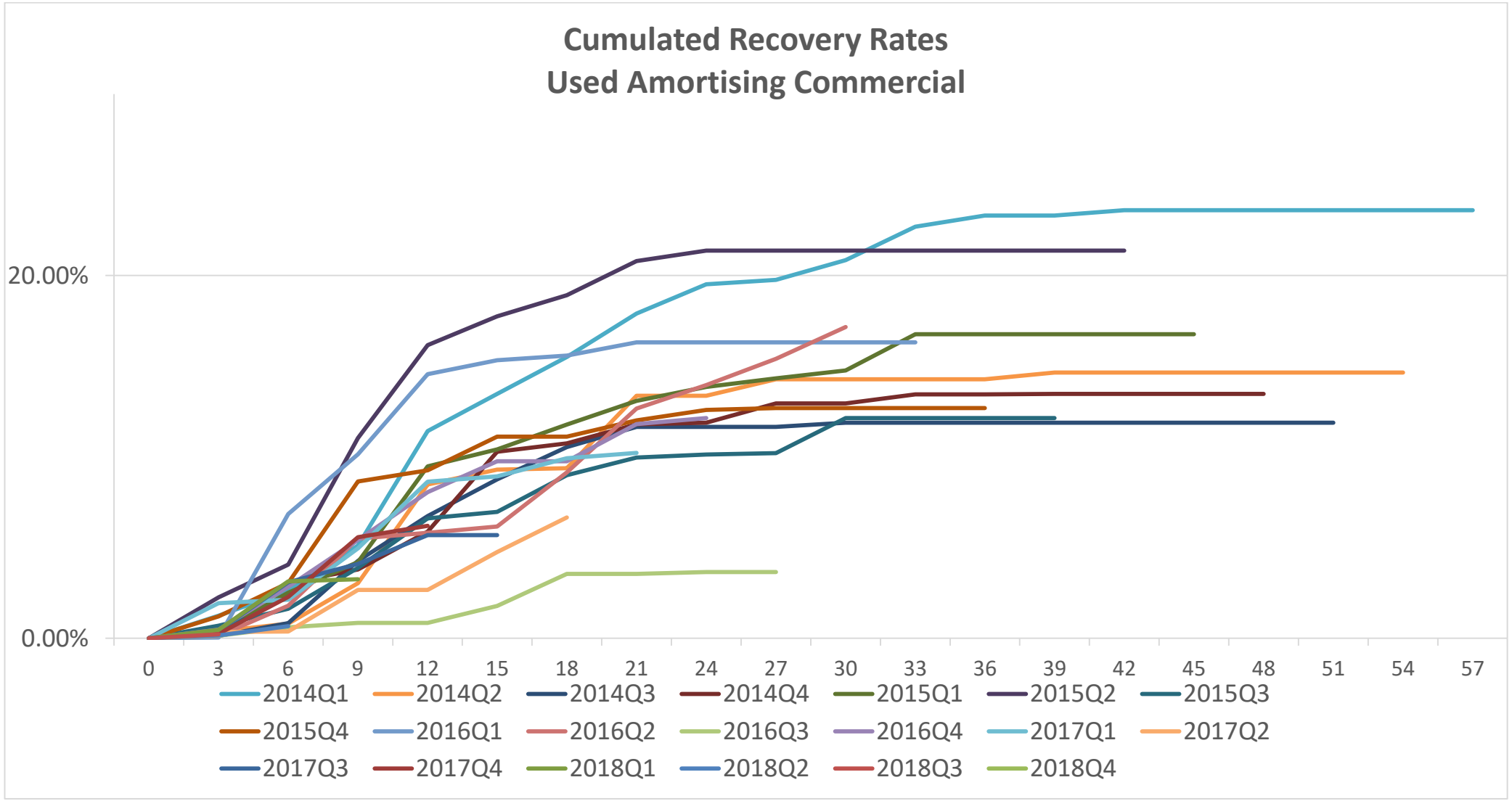
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	400,820.83	0.00%	0.04%	1.00%	1.21%	2.10%	3.26%	7.29%	12.71%	14.25%	16.96%	17.03%	17.03%	17.23%	17.23%	18.89%	19.31%	19.45%	19.45%	19.45%	19.45%
2014Q2	421,790.70	0.00%	0.87%	1.92%	2.30%	8.08%	10.68%	11.53%	12.20%	12.20%	14.88%	17.73%	17.99%	20.83%	21.18%	21.60%	21.60%	21.60%	21.65%	21.65%	
2014Q3	622,731.68	0.00%	0.15%	0.57%	2.25%	4.14%	4.77%	6.77%	7.29%	8.39%	9.88%	10.47%	11.65%	12.05%	12.29%	12.47%	12.59%	12.71%	12.83%		
2014Q4	1,127,177.37	0.00%	0.28%	2.96%	5.45%	8.03%	10.26%	11.05%	11.46%	11.68%	12.57%	12.78%	13.18%	15.22%	15.51%	15.63%	15.86%	16.06%			
2015Q1	839,222.14	0.00%	0.43%	3.23%	4.61%	7.71%	9.26%	11.83%	14.06%	15.72%	16.62%	17.22%	17.56%	18.28%	18.70%	18.88%	19.00%				
2015Q2	772,158.56	0.00%	0.50%	1.94%	3.47%	3.54%	5.28%	5.28%	5.72%	5.72%	6.01%	6.29%	6.36%	6.36%	6.36%	6.36%					
2015Q3	873,974.27	0.00%	0.63%	1.11%	2.32%	8.20%	9.14%	10.82%	10.98%	11.27%	11.54%	11.74%	11.85%	12.82%	12.90%						
2015Q4	812,105.04	0.00%	0.68%	1.75%	4.27%	6.68%	10.03%	11.30%	12.47%	13.44%	13.71%	13.77%	13.80%	13.86%							
2016Q1	435,756.90	0.00%	0.55%	2.59%	3.10%	7.54%	7.82%	8.29%	9.86%	9.93%	10.00%	10.41%	10.45%								
2016Q2	1,385,208.96	0.00%	1.39%	5.01%	7.07%	7.42%	7.64%	9.79%	10.21%	10.39%	10.62%	10.82%									
2016Q3	997,508.94	0.00%	1.38%	4.13%	4.91%	5.10%	6.85%	8.05%	8.37%	9.55%	9.75%										
2016Q4	891,271.82	0.00%	0.45%	2.03%	4.28%	5.30%	5.68%	6.18%	9.27%	9.99%											
2017Q1	858,090.70	0.00%	0.48%	1.74%	2.39%	5.26%	5.77%	8.62%	8.64%												
2017Q2	1,062,131.18	0.00%	0.14%	1.42%	4.97%	5.78%	8.32%	8.35%													
2017Q3	1,321,904.25	0.00%	0.31%	2.05%	2.75%	6.55%	6.76%														
2017Q4	868,590.77	0.00%	1.28%	3.21%	4.74%	4.88%															
2018Q1	1,198,575.21	0.00%	0.55%	2.48%	2.81%																
2018Q2	1,053,549.88	0.00%	0.39%	1.32%																	
2018Q3	1,460,691.27	0.00%	0.08%																		
2018Q4	1,600,517.25	0.00%																			

Cumulated recovery rates - New vehicles/Balloon loans/Commercial retail customers



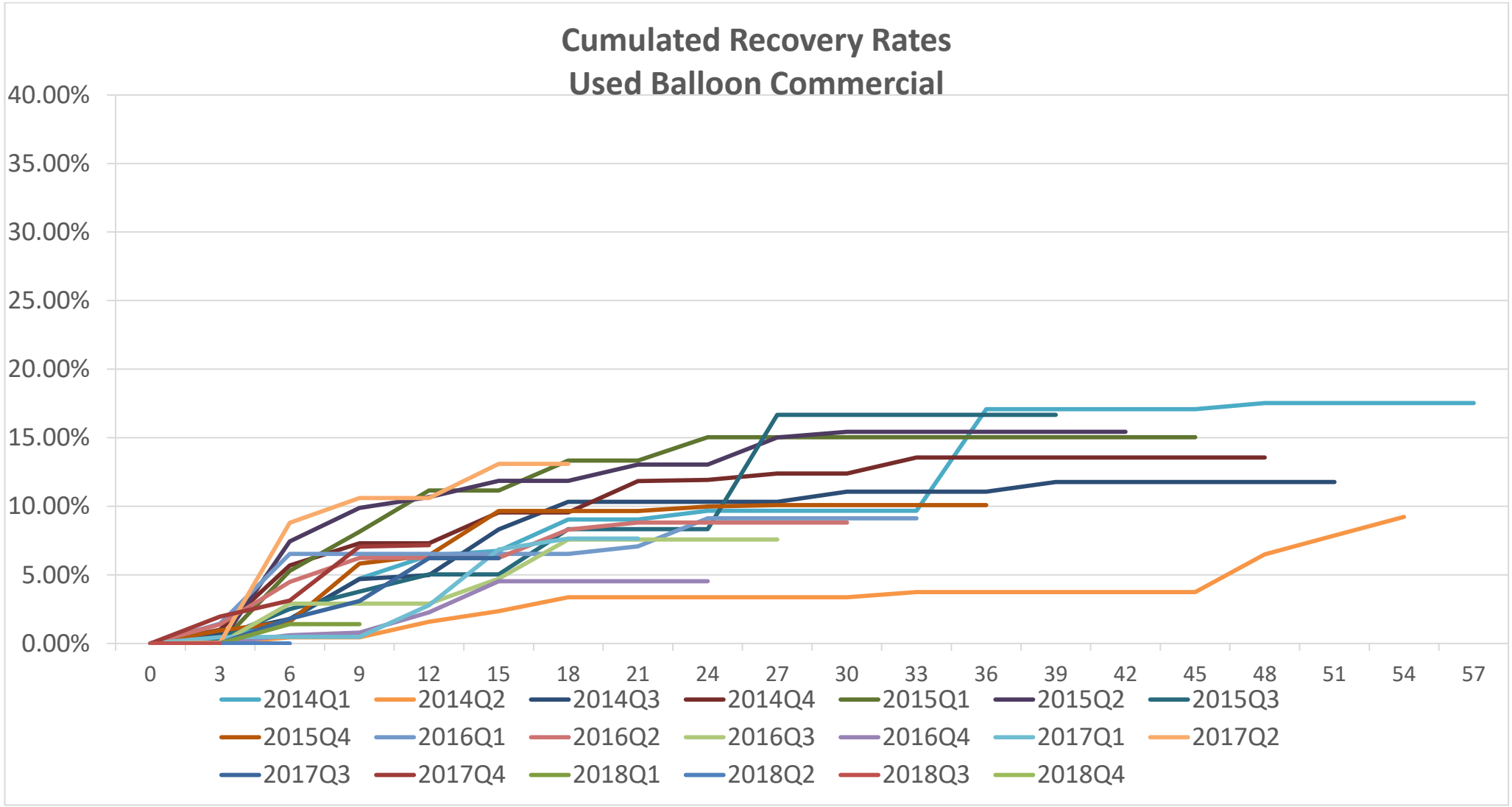
DEFAULTQUARTER CODE	DEFAULTAMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	1,019,725.99	0.00%	0.17%	1.61%	4.33%	5.11%	15.12%	15.91%	16.12%	17.73%	17.90%	18.67%	18.79%	18.79%	18.79%	19.23%	19.32%	19.32%	19.32%	19.32%	19.32%
2014Q2	823,563.64	0.00%	0.02%	1.64%	1.71%	2.81%	6.74%	9.92%	11.89%	11.89%	12.75%	12.75%	12.75%	12.75%	12.90%	13.02%	13.13%	13.25%	13.33%	13.48%	
2014Q3	548,992.18	0.00%	0.72%	1.51%	3.31%	7.82%	8.94%	10.86%	11.74%	16.74%	17.03%	17.55%	18.00%	18.11%	18.12%	18.12%	18.12%	18.12%	18.12%		
2014Q4	618,195.02	0.00%	1.29%	2.86%	4.44%	4.96%	6.97%	8.99%	9.75%	9.85%	10.72%	10.88%	11.23%	11.74%	11.77%	11.77%	11.77%	11.77%			
2015Q1	775,216.15	0.00%	0.70%	4.11%	5.51%	8.59%	10.47%	10.94%	11.14%	11.82%	12.26%	13.60%	14.23%	14.60%	15.03%	15.57%	15.57%				
2015Q2	734,655.91	0.00%	0.22%	1.23%	3.02%	3.76%	6.92%	7.30%	7.71%	8.99%	10.72%	10.73%	10.88%	10.92%	10.96%	10.98%					
2015Q3	625,775.00	0.00%	4.06%	7.00%	7.71%	10.98%	12.41%	14.12%	14.52%	15.20%	16.10%	17.54%	17.54%	17.68%	17.68%						
2015Q4	972,644.10	0.00%	1.13%	2.20%	4.87%	5.33%	8.33%	8.33%	8.37%	8.48%	8.64%	9.05%	10.60%	10.60%							
2016Q1	868,399.43	0.00%	0.51%	1.52%	3.84%	7.41%	8.52%	8.83%	9.90%	9.90%	9.90%	9.90%	9.90%								
2016Q2	1,412,921.86	0.00%	0.25%	4.51%	5.24%	6.06%	6.80%	8.52%	10.60%	10.68%	10.82%	10.89%									
2016Q3	1,037,011.12	0.00%	0.18%	1.19%	1.68%	1.72%	3.54%	5.28%	5.28%	5.43%	5.43%										
2016Q4	1,449,556.59	0.00%	0.19%	0.78%	1.91%	3.13%	6.29%	6.43%	7.15%	7.17%											
2017Q1	958,236.80	0.00%	1.49%	1.57%	1.89%	5.06%	5.68%	6.81%	6.81%												
2017Q2	1,115,397.54	0.00%	0.12%	0.21%	5.84%	5.84%	6.73%	6.73%													
2017Q3	1,329,016.77	0.00%	1.20%	3.44%	4.02%	6.96%	7.11%														
2017Q4	1,407,092.04	0.00%	0.71%	3.05%	5.28%	5.36%															
2018Q1	663,303.58	0.00%	0.66%	2.08%	2.19%																
2018Q2	1,659,261.47	0.00%	0.14%	0.37%																	
2018Q3	1,763,922.37	0.00%	0.02%																		
2018Q4	1,131,042.09	0.00%																			

Cumulated recovery rates - Used vehicles / Amortising loans/ Commercial retail customer



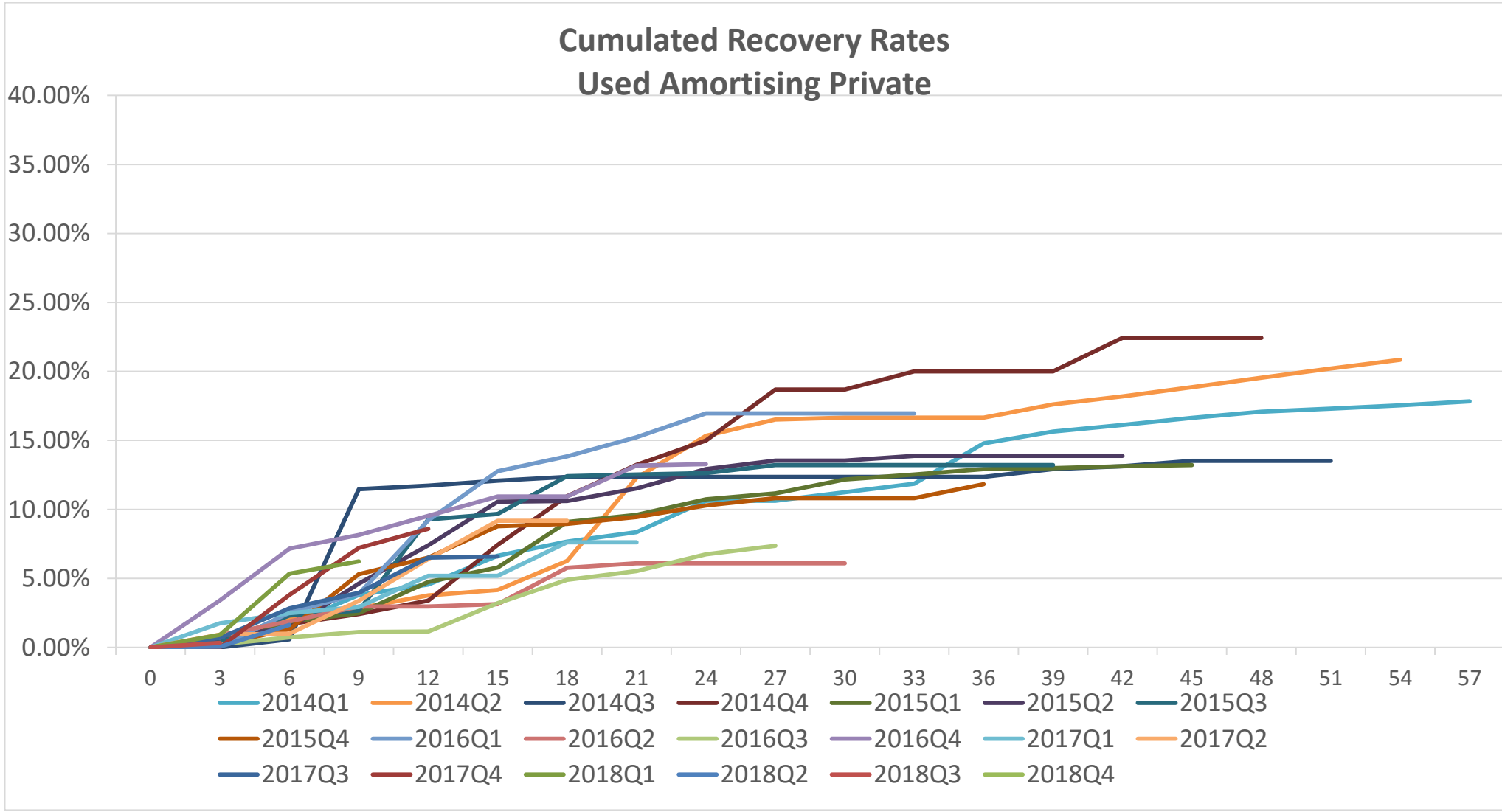
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	207,779.80	0.00%	1.25%	2.63%	5.11%	11.42%	13.48%	15.52%	17.90%	19.52%	19.76%	20.85%	22.70%	23.30%	23.30%	23.60%	23.60%	23.60%	23.60%	23.60%	23.60%
2014Q2	235,503.74	0.00%	0.37%	0.81%	3.04%	8.48%	9.30%	9.38%	13.37%	13.37%	14.28%	14.28%	14.28%	14.28%	14.65%	14.65%	14.65%	14.65%	14.65%	14.65%	
2014Q3	281,295.77	0.00%	0.13%	0.84%	4.27%	6.73%	8.76%	10.54%	11.66%	11.66%	11.66%	11.89%	11.89%	11.89%	11.89%	11.89%	11.89%	11.89%	11.89%		
2014Q4	332,787.28	0.00%	0.43%	3.06%	3.80%	5.89%	10.29%	10.74%	11.80%	11.88%	12.94%	12.94%	13.45%	13.45%	13.47%	13.47%	13.47%	13.47%			
2015Q1	313,581.16	0.00%	0.37%	2.52%	4.20%	9.48%	10.41%	11.78%	13.09%	13.86%	14.33%	14.76%	16.77%	16.77%	16.77%	16.77%	16.77%				
2015Q2	434,435.67	0.00%	2.26%	4.07%	11.04%	16.16%	17.75%	18.92%	20.80%	21.37%	21.37%	21.37%	21.37%	21.37%	21.37%	21.37%					
2015Q3	348,396.54	0.00%	0.70%	1.62%	3.88%	6.61%	6.97%	8.99%	9.97%	10.13%	10.21%	12.14%	12.14%	12.14%	12.14%						
2015Q4	295,087.46	0.00%	1.20%	3.05%	8.65%	9.27%	11.12%	11.12%	12.02%	12.59%	12.70%	12.70%	12.70%	12.70%							
2016Q1	388,184.77	0.00%	0.04%	6.85%	10.14%	14.56%	15.33%	15.58%	16.32%	16.32%	16.32%	16.32%	16.32%								
2016Q2	359,606.22	0.00%	0.13%	1.80%	5.49%	5.81%	6.16%	9.15%	12.66%	13.96%	15.41%	17.16%									
2016Q3	351,751.68	0.00%	0.15%	0.60%	0.85%	0.85%	1.78%	3.55%	3.55%	3.65%	3.65%										
2016Q4	359,705.71	0.00%	0.48%	2.84%	5.42%	8.06%	9.76%	9.76%	11.81%	12.14%											
2017Q1	208,507.79	0.00%	1.94%	2.12%	4.96%	8.64%	8.92%	9.93%	10.22%												
2017Q2	376,625.29	0.00%	0.35%	0.38%	2.66%	2.66%	4.75%	6.66%													
2017Q3	199,291.72	0.00%	0.42%	3.09%	4.09%	5.69%	5.69%														
2017Q4	294,243.74	0.00%	0.24%	2.29%	5.57%	6.20%															
2018Q1	437,602.30	0.00%	0.46%	3.13%	3.25%																
2018Q2	228,232.82	0.00%	0.15%	0.66%																	
2018Q3	324,549.78	0.00%	0.22%																		
2018Q4	210,424.93	0.00%																			

Cumulated recovery rates - Used vehicles / Balloon loans/ Commercial retail customer



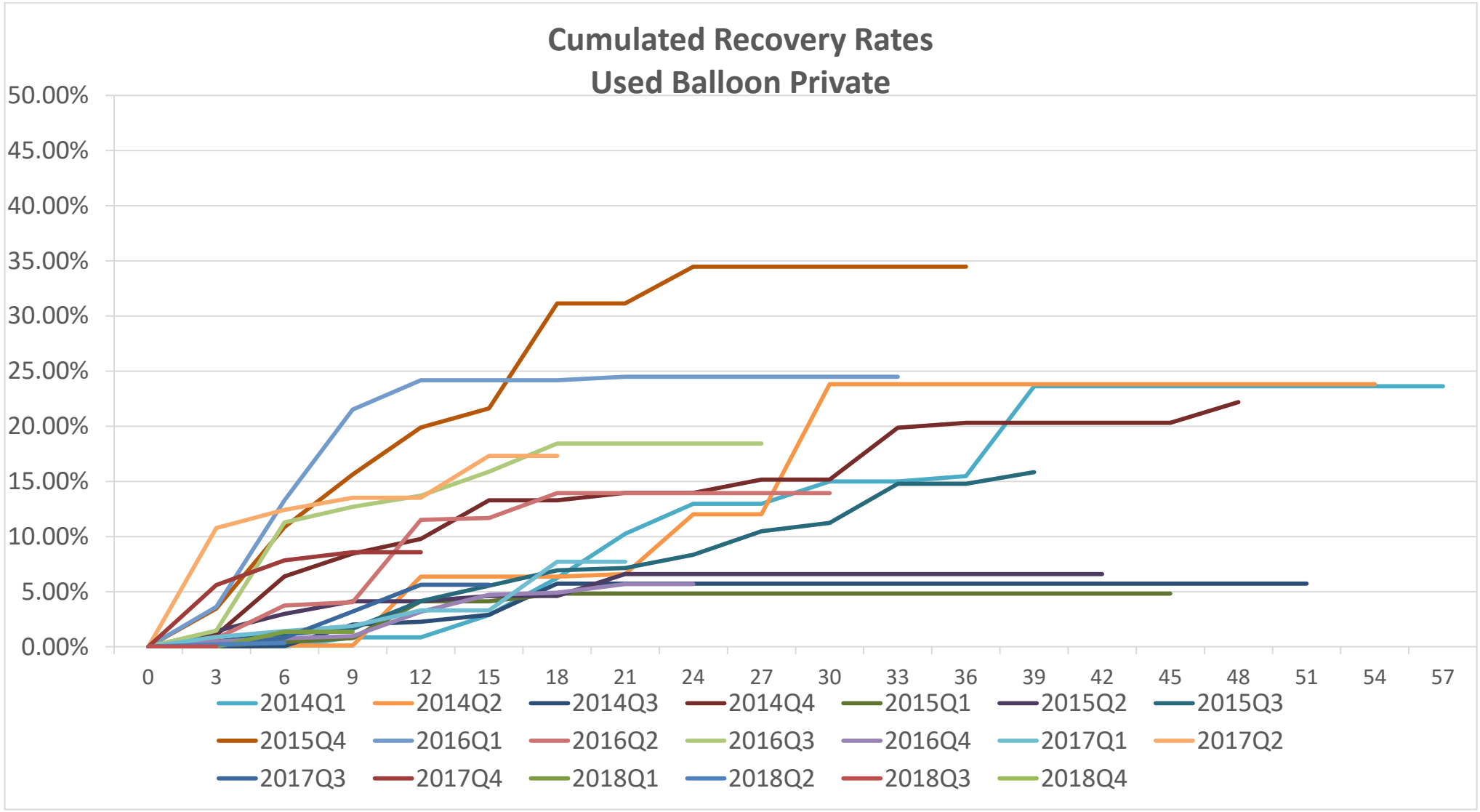
DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	86,872.09	0.00%	0.36%	1.69%	4.72%	6.40%	6.75%	9.04%	9.04%	9.66%	9.66%	9.66%	9.66%	17.08%	17.08%	17.08%	17.08%	17.54%	17.54%	17.54%	17.54%
2014Q2	107,506.25	0.00%	0.00%	0.44%	0.44%	1.57%	2.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.74%	3.74%	3.74%	3.74%	3.74%	6.50%	7.86%	9.23%	
2014Q3	78,291.18	0.00%	0.71%	1.77%	4.68%	4.98%	8.31%	10.33%	10.33%	10.33%	10.33%	11.07%	11.07%	11.07%	11.77%	11.77%	11.77%	11.77%	11.77%		
2014Q4	88,317.41	0.00%	0.99%	5.69%	7.30%	7.30%	9.55%	9.55%	11.84%	11.92%	12.39%	12.39%	13.55%	13.55%	13.55%	13.55%	13.55%	13.55%			
2015Q1	135,312.12	0.00%	0.00%	5.29%	8.14%	11.15%	11.15%	13.33%	13.33%	15.04%	15.04%	15.04%	15.04%	15.04%	15.04%	15.04%	15.04%				
2015Q2	128,137.88	0.00%	0.01%	7.44%	9.89%	10.67%	11.85%	11.85%	13.05%	13.05%	15.02%	15.42%	15.42%	15.42%	15.42%	15.42%					
2015Q3	155,938.99	0.00%	0.38%	2.50%	3.78%	5.03%	5.03%	8.33%	8.33%	8.33%	16.66%	16.66%	16.66%	16.66%	16.66%						
2015Q4	220,061.72	0.00%	0.93%	1.58%	5.83%	6.41%	9.65%	9.65%	9.65%	9.97%	10.08%	10.08%	10.08%	10.08%							
2016Q1	66,284.46	0.00%	1.43%	6.53%	6.53%	6.53%	6.53%	6.53%	7.07%	9.13%	9.13%	9.13%	9.13%								
2016Q2	72,614.38	0.00%	1.38%	4.48%	6.23%	6.23%	6.23%	8.29%	8.80%	8.80%	8.80%	8.80%									
2016Q3	112,452.13	0.00%	0.00%	2.89%	2.89%	2.89%	4.72%	7.57%	7.57%	7.57%	7.57%										
2016Q4	221,400.75	0.00%	0.02%	0.59%	0.78%	2.26%	4.52%	4.52%	4.52%	4.52%											
2017Q1	190,431.82	0.00%	0.45%	0.47%	0.47%	2.77%	6.85%	7.65%	7.65%												
2017Q2	258,250.69	0.00%	0.04%	8.80%	10.61%	10.61%	13.09%	13.09%													
2017Q3	241,287.35	0.00%	0.00%	1.80%	3.09%	6.21%	6.21%														
2017Q4	136,357.56	0.00%	1.95%	3.12%	7.06%	7.16%															
2018Q1	177,162.40	0.00%	0.00%	1.41%	1.41%																
2018Q2	123,185.69	0.00%	0.00%	0.00%																	
2018Q3	187,741.67	0.00%	0.00%																		
2018Q4	134,568.74	0.00%																			

Cumulated recovery rates - Used vehicles / Amortising loans/ Private retail customer



DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	186,576.16	0.00%	0.32%	1.64%	3.80%	4.56%	6.64%	7.66%	8.36%	10.62%	10.62%	11.24%	11.86%	14.78%	15.64%	16.12%	16.64%	17.07%	17.30%	17.54%	17.82%
2014Q2	189,726.83	0.00%	0.12%	2.15%	2.84%	3.76%	4.16%	6.26%	12.28%	15.33%	16.52%	16.65%	16.65%	16.65%	17.61%	18.19%	18.85%	19.55%	20.20%	20.85%	
2014Q3	107,498.23	0.00%	0.01%	0.58%	11.46%	11.72%	12.08%	12.35%	12.35%	12.35%	12.35%	12.35%	12.35%	12.35%	12.91%	13.12%	13.52%	13.52%	13.52%		
2014Q4	228,251.59	0.00%	0.39%	1.70%	2.41%	3.39%	7.43%	10.95%	13.23%	14.98%	18.68%	18.68%	20.00%	20.00%	20.00%	22.43%	22.43%	22.43%			
2015Q1	397,284.65	0.00%	0.05%	1.85%	2.48%	4.74%	5.78%	9.09%	9.60%	10.72%	11.16%	12.17%	12.52%	12.91%	12.98%	13.13%	13.20%				
2015Q2	286,224.99	0.00%	0.75%	1.41%	4.62%	7.39%	10.56%	10.61%	11.52%	12.91%	13.54%	13.54%	13.88%	13.88%	13.88%	13.88%					
2015Q3	250,348.15	0.00%	0.35%	2.30%	2.68%	9.27%	9.66%	12.41%	12.53%	12.62%	13.20%	13.20%	13.20%	13.20%	13.20%						
2015Q4	227,370.55	0.00%	0.18%	1.31%	5.31%	6.50%	8.78%	8.95%	9.44%	10.28%	10.81%	10.81%	10.81%	11.82%							
2016Q1	165,782.18	0.00%	0.07%	2.51%	3.89%	9.20%	12.76%	13.85%	15.22%	16.96%	16.96%	16.96%	16.96%								
2016Q2	281,571.92	0.00%	0.89%	1.89%	2.95%	2.95%	3.13%	5.76%	6.09%	6.09%	6.09%	6.09%									
2016Q3	303,560.13	0.00%	0.22%	0.71%	1.10%	1.15%	3.20%	4.89%	5.53%	6.74%	7.35%										
2016Q4	266,250.57	0.00%	3.41%	7.16%	8.14%	9.53%	10.93%	10.93%	13.18%	13.27%											
2017Q1	192,774.99	0.00%	1.74%	2.47%	2.93%	5.18%	5.18%	7.62%	7.62%												
2017Q2	168,665.63	0.00%	0.92%	0.98%	3.36%	6.39%	9.18%	9.18%													
2017Q3	269,894.96	0.00%	0.68%	2.82%	3.95%	6.50%	6.59%														
2017Q4	166,507.53	0.00%	0.00%	3.79%	7.21%	8.59%															
2018Q1	371,331.32	0.00%	0.90%	5.33%	6.23%																
2018Q2	308,297.78	0.00%	0.05%	1.62%																	
2018Q3	311,454.28	0.00%	0.32%																		
2018Q4	217,344.76	0.00%																			

Cumulated recovery rates - Used vehicles / Balloon loans/ Private retail customer



DEFAULT QUARTER CODE	DEFAULT AMOUNT	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57
2014Q1	49,206.93	0.00%	0.00%	0.00%	0.85%	0.85%	2.88%	6.23%	10.24%	12.96%	12.96%	14.99%	14.99%	15.49%	23.61%	23.61%	23.61%	23.61%	23.61%	23.61%	23.61%
2014Q2	68,349.89	0.00%	0.00%	0.11%	0.11%	6.36%	6.36%	6.36%	6.58%	12.01%	12.01%	23.80%	23.80%	23.80%	23.80%	23.80%	23.80%	23.80%	23.80%	23.80%	
2014Q3	126,243.24	0.00%	0.00%	0.06%	2.01%	2.26%	2.90%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%		
2014Q4	150,490.11	0.00%	1.07%	6.38%	8.46%	9.78%	13.29%	13.29%	13.96%	13.96%	15.17%	15.17%	19.88%	20.31%	20.31%	20.31%	20.31%	22.20%			
2015Q1	162,374.89	0.00%	0.10%	0.44%	0.79%	4.12%	4.12%	4.81%	4.81%	4.81%	4.81%	4.81%	4.81%	4.81%	4.81%	4.81%	4.81%				
2015Q2	77,552.82	0.00%	1.42%	2.98%	4.12%	4.12%	4.61%	4.61%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%	6.58%					
2015Q3	201,503.53	0.00%	0.49%	1.13%	1.63%	4.15%	5.54%	6.94%	7.14%	8.34%	10.48%	11.23%	14.78%	14.78%	15.83%						
2015Q4	96,523.81	0.00%	3.48%	10.85%	15.63%	19.88%	21.61%	31.14%	31.14%	34.46%	34.46%	34.46%	34.46%	34.46%							
2016Q1	95,264.46	0.00%	3.62%	13.28%	21.52%	24.17%	24.17%	24.17%	24.48%	24.48%	24.48%	24.48%	24.48%								
2016Q2	130,098.46	0.00%	0.74%	3.74%	4.03%	11.51%	11.68%	13.93%	13.93%	13.93%	13.93%	13.93%									
2016Q3	144,410.00	0.00%	1.46%	11.28%	12.70%	13.71%	15.87%	18.43%	18.43%	18.43%	18.43%										
2016Q4	213,723.77	0.00%	0.48%	0.77%	0.96%	3.17%	4.71%	4.90%	5.69%	5.69%											
2017Q1	207,350.39	0.00%	0.89%	1.43%	1.89%	3.30%	3.30%	7.72%	7.72%												
2017Q2	89,024.45	0.00%	10.77%	12.41%	13.50%	13.50%	17.32%	17.32%													
2017Q3	285,236.70	0.00%	0.00%	0.81%	3.19%	5.62%	5.62%														
2017Q4	349,084.21	0.00%	5.60%	7.83%	8.58%	8.58%															
2018Q1	334,516.00	0.00%	0.00%	1.36%	1.36%																
2018Q2	483,912.55	0.00%	0.21%	0.34%																	
2018Q3	303,927.53	0.00%	0.00%																		
2018Q4	231,218.70	0.00%																			

Prepayment Analysis (Jan 2014 – Dec 2018)

For a given month, the annual prepayment rate (APR) is calculated from the monthly prepayment rate (MPR) according to the following formula: 1-(1-MPR)^12.

The monthly prepayment rate (MPR) is calculated as the ratio of:

iii. the outstanding principal balance of all loans prepaid during the month, to

iv. the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

Annual prepayment rates – Total portfolio

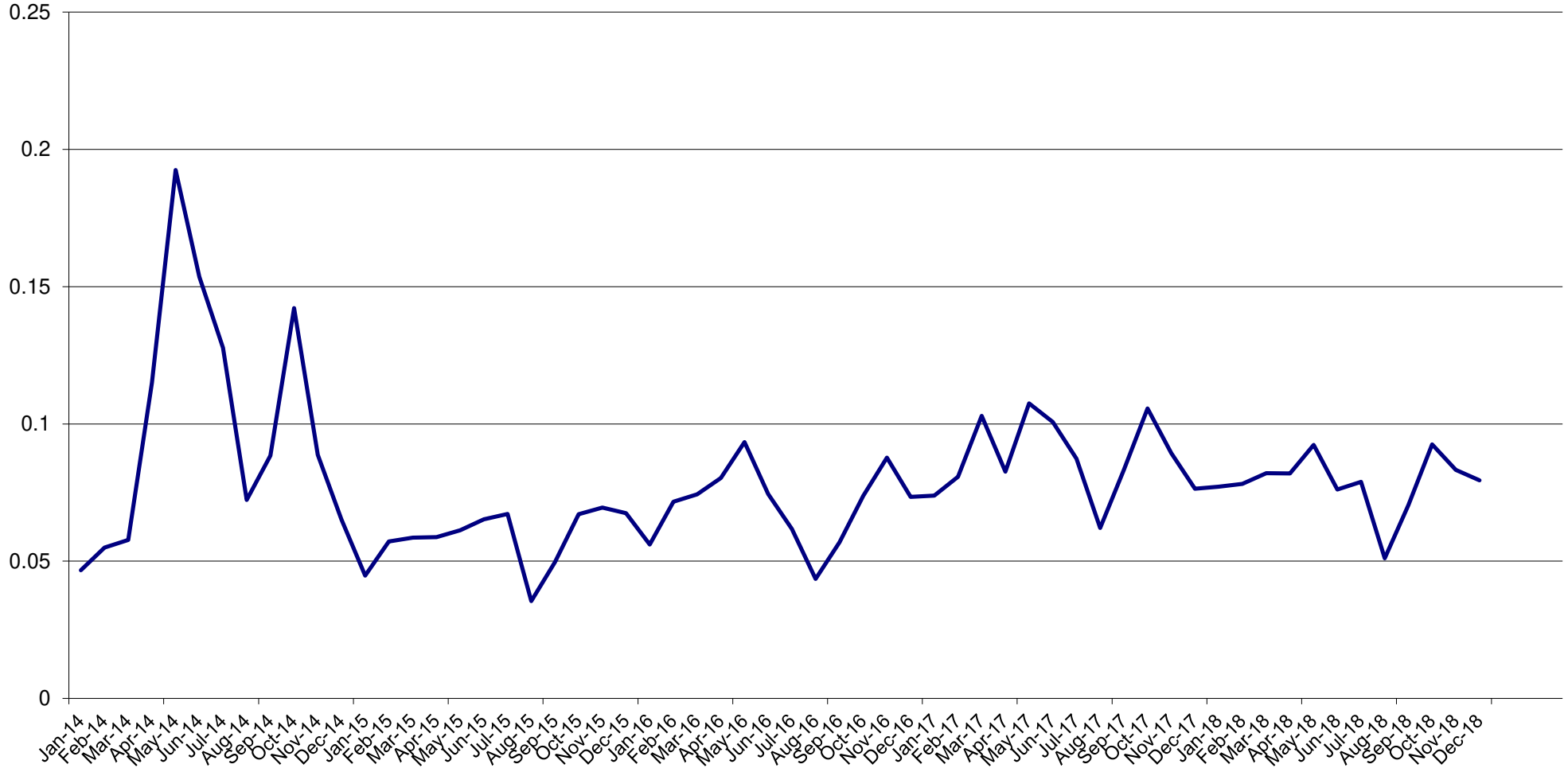
Prepaid Balance Date	Outstanding Principal Balance	Prepaid Balance	MPR	APR
31/01/2014	492,521,865.30	1,959,352.15	0.40%	4.671%
28/02/2014	497,225,730.37	2,335,528.71	0.47%	5.493%
31/03/2014	499,819,452.31	2,471,553.93	0.49%	5.775%
30/04/2014	504,280,722.38	5,105,211.35	1.01%	11.494%
31/05/2014	506,474,598.24	8,943,678.58	1.77%	19.249%
30/06/2014	507,630,285.13	7,003,565.48	1.38%	15.356%
31/07/2014	510,343,155.25	5,777,241.23	1.13%	12.770%
31/08/2014	514,529,896.83	3,206,594.58	0.62%	7.227%
30/09/2014	508,496,210.90	3,907,889.64	0.77%	8.842%
31/10/2014	512,858,830.92	6,514,627.60	1.27%	14.222%
30/11/2014	517,509,503.63	3,990,534.96	0.77%	8.871%
31/12/2014	521,197,047.55	2,916,428.46	0.56%	6.512%
31/01/2015	530,253,922.48	2,018,114.02	0.38%	4.473%
28/02/2015	541,623,913.93	2,648,946.88	0.49%	5.714%
31/03/2015	550,516,540.19	2,760,714.31	0.50%	5.854%
30/04/2015	569,849,656.70	2,866,341.67	0.50%	5.872%
31/05/2015	586,752,307.69	3,082,250.52	0.53%	6.125%
30/06/2015	618,704,684.09	3,471,543.27	0.56%	6.529%
31/07/2015	634,975,243.02	3,668,460.24	0.58%	6.717%

31/08/2015	654,778,336.29	1,968,361.17	0.30%	3.548%
30/09/2015	650,770,295.88	2,758,218.61	0.42%	4.969%
31/10/2015	665,587,631.18	3,841,589.70	0.58%	6.710%
30/11/2015	684,836,834.56	4,100,397.72	0.60%	6.953%
31/12/2015	704,590,754.61	4,089,934.16	0.58%	6.747%
31/01/2016	728,437,674.73	3,491,324.63	0.48%	5.602%
29/02/2016	749,311,359.85	4,627,253.86	0.62%	7.164%
31/03/2016	773,354,340.21	4,965,876.73	0.64%	7.439%
30/04/2016	808,136,754.22	5,618,548.70	0.70%	8.031%
31/05/2016	833,243,949.53	6,776,422.84	0.81%	9.334%
30/06/2016	862,376,400.27	5,537,560.79	0.64%	7.439%
31/07/2016	887,854,211.53	4,698,811.82	0.53%	6.169%
31/08/2016	908,831,175.76	3,363,837.55	0.37%	4.352%
30/09/2016	906,363,468.46	4,411,378.49	0.49%	5.687%
31/10/2016	926,580,395.62	5,897,951.46	0.64%	7.377%
30/11/2016	952,479,452.85	7,257,584.86	0.76%	8.770%
31/12/2016	990,961,298.52	6,278,729.67	0.63%	7.344%
31/01/2017	1,032,360,019.12	6,583,468.28	0.64%	7.390%
28/02/2017	1,046,018,500.60	7,314,362.50	0.70%	8.076%
31/03/2017	1,069,012,854.45	9,631,078.58	0.90%	10.291%
30/04/2017	1,105,034,635.04	7,914,160.24	0.72%	8.264%
31/05/2017	1,124,882,880.86	10,607,728.52	0.94%	10.747%
30/06/2017	1,160,430,150.17	10,220,523.62	0.88%	10.072%
31/07/2017	1,194,004,512.08	9,058,582.58	0.76%	8.734%
31/08/2017	1,227,347,297.83	6,537,325.25	0.53%	6.208%
30/09/2017	1,234,887,764.97	8,917,737.56	0.72%	8.330%
31/10/2017	1,273,818,761.01	11,790,298.81	0.93%	10.559%
30/11/2017	1,304,251,675.69	10,138,621.26	0.78%	8.940%
31/12/2017	1,334,238,924.31	8,804,282.29	0.66%	7.637%

31/01/2018	1,362,702,999.15	9,082,165.79	0.67%	7.711%
28/02/2018	1,436,771,741.50	9,715,143.59	0.68%	7.819%
31/03/2018	1,457,299,659.34	10,365,022.39	0.71%	8.209%
30/04/2018	1,503,976,793.12	10,677,587.22	0.71%	8.195%
31/05/2018	1,522,992,206.32	12,253,650.22	0.80%	9.239%
30/06/2018	1,540,037,116.70	10,121,509.77	0.66%	7.608%
31/07/2018	1,545,453,045.73	10,551,772.20	0.68%	7.892%
31/08/2018	1,542,001,300.66	6,718,053.76	0.44%	5.105%
30/09/2018	1,511,324,395.55	9,174,205.92	0.61%	7.046%
31/10/2018	1,532,820,954.44	12,351,921.46	0.81%	9.253%
30/11/2018	1,553,316,685.11	11,209,877.16	0.72%	8.324%
31/12/2018	1,589,031,357.99	10,922,217.67	0.69%	7.943%

Annualised Prepayment Rate

ALL



Delinquency Analysis (Jan 2014 – Dec 2018)

For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

i. the outstanding principal balance of all delinquent loans (in the same delinquency bucket) during the month, to

ii. the outstanding principal balance of all loans (defaulted loans excluded) at the end of the month.

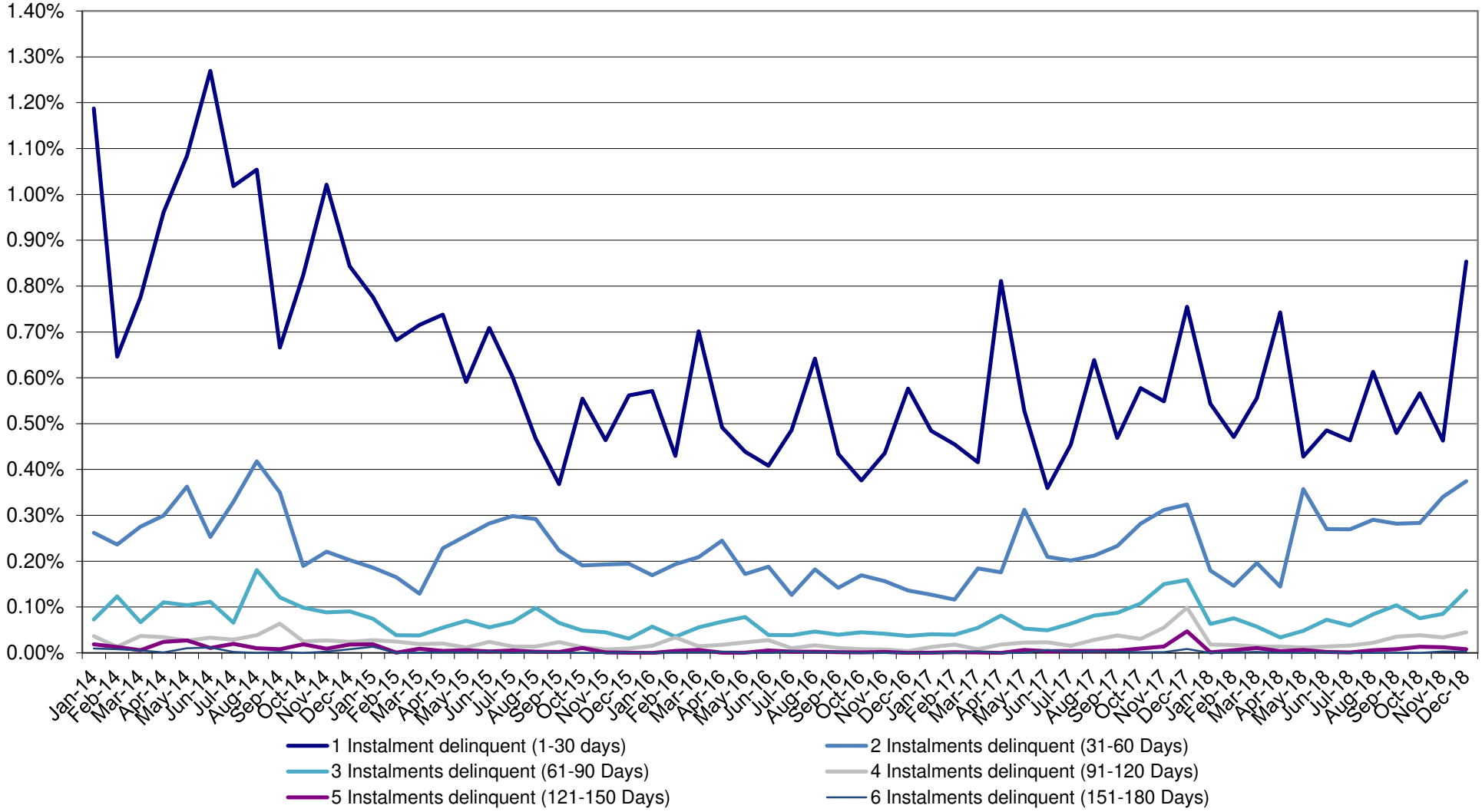
Month	Outstanding Principal Balance (€ per month end)	1 Instalment delinquent (1-30 days)	2 Instalments delinquent (31-60 Days)	3 Instalments delinquent (61-90 Days)	4 Instalments delinquent (91-120 Days)	5 Instalments delinquent (121-150 Days)	6 Instalments delinquent (151-180 Days)
2014-Jan	497,225,730	1.19%	0.26%	0.07%	0.04%	0.02%	0.01%
2014-Feb	499,819,452	0.65%	0.24%	0.12%	0.01%	0.01%	0.01%
2014-Mar	504,280,722	0.78%	0.28%	0.07%	0.04%	0.01%	0.01%
2014-Apr	506,474,598	0.96%	0.30%	0.11%	0.03%	0.02%	0.00%
2014-May	507,630,285	1.08%	0.36%	0.10%	0.03%	0.03%	0.01%
2014-Jun	510,343,155	1.27%	0.25%	0.11%	0.03%	0.01%	0.01%
2014-Jul	514,529,897	1.02%	0.33%	0.07%	0.03%	0.02%	0.00%
2014-Aug	508,496,211	1.05%	0.42%	0.18%	0.04%	0.01%	0.00%
2014-Sep	512,858,831	0.67%	0.35%	0.12%	0.06%	0.01%	0.00%
2014-Oct	517,509,504	0.82%	0.19%	0.10%	0.02%	0.02%	0.00%
2014-Nov	521,197,048	1.02%	0.22%	0.09%	0.03%	0.01%	0.00%
2014-Dec	530,253,922	0.84%	0.20%	0.09%	0.02%	0.02%	0.01%
2015-Jan	541,623,914	0.78%	0.19%	0.07%	0.03%	0.02%	0.01%
2015-Feb	550,516,540	0.68%	0.17%	0.04%	0.02%	0.00%	0.00%
2015-Mar	569,849,657	0.72%	0.13%	0.04%	0.02%	0.01%	0.00%
2015-Apr	586,752,308	0.74%	0.23%	0.05%	0.02%	0.00%	0.00%
2015-May	618,704,684	0.59%	0.26%	0.07%	0.01%	0.01%	0.00%
2015-Jun	634,975,243	0.71%	0.28%	0.06%	0.02%	0.00%	0.00%
2015-Jul	654,778,336	0.60%	0.30%	0.07%	0.01%	0.01%	0.00%
2015-Aug	650,770,296	0.47%	0.29%	0.10%	0.01%	0.00%	0.00%

2015-Sep	665,587,631	0.37%	0.22%	0.07%	0.02%	0.00%	0.00%
2015-Oct	684,836,835	0.55%	0.19%	0.05%	0.01%	0.01%	0.00%
2015-Nov	704,590,755	0.46%	0.19%	0.04%	0.01%	0.00%	0.00%
2015-Dec	728,437,675	0.56%	0.19%	0.03%	0.01%	0.00%	0.00%
2016-Jan	749,311,360	0.57%	0.17%	0.06%	0.02%	0.00%	0.00%
2016-Feb	773,354,340	0.43%	0.19%	0.04%	0.03%	0.00%	0.00%
2016-Mar	808,136,754	0.70%	0.21%	0.06%	0.01%	0.01%	0.00%
2016-Apr	833,243,950	0.49%	0.24%	0.07%	0.02%	0.00%	0.00%
2016-May	862,376,400	0.44%	0.17%	0.08%	0.02%	0.00%	0.00%
2016-Jun	887,854,212	0.41%	0.19%	0.04%	0.03%	0.01%	0.00%
2016-Jul	908,831,176	0.49%	0.13%	0.04%	0.01%	0.00%	0.00%
2016-Aug	906,363,468	0.64%	0.18%	0.05%	0.02%	0.00%	0.00%
2016-Sep	926,580,396	0.43%	0.14%	0.04%	0.01%	0.00%	0.00%
2016-Oct	952,479,453	0.38%	0.17%	0.04%	0.01%	0.00%	0.00%
2016-Nov	990,961,299	0.44%	0.16%	0.04%	0.01%	0.00%	0.00%
2016-Dec	1,032,360,019	0.58%	0.14%	0.04%	0.00%	0.00%	0.00%
2017-Jan	1,046,018,501	0.48%	0.13%	0.04%	0.01%	0.00%	0.00%
2017-Feb	1,069,012,854	0.45%	0.12%	0.04%	0.02%	0.00%	0.00%
2017-Mar	1,105,034,635	0.42%	0.18%	0.05%	0.01%	0.00%	0.00%
2017-Apr	1,124,882,881	0.81%	0.18%	0.08%	0.02%	0.00%	0.00%
2017-May	1,160,430,150	0.53%	0.31%	0.05%	0.02%	0.01%	0.00%
2017-Jun	1,194,004,512	0.36%	0.21%	0.05%	0.02%	0.00%	0.01%
2017-Jul	1,227,347,298	0.45%	0.20%	0.06%	0.02%	0.00%	0.00%
2017-Aug	1,234,887,765	0.64%	0.21%	0.08%	0.03%	0.00%	0.00%
2017-Sep	1,273,818,761	0.47%	0.23%	0.09%	0.04%	0.00%	0.00%
2017-Oct	1,304,251,676	0.58%	0.28%	0.11%	0.03%	0.01%	0.00%
2017-Nov	1,334,238,924	0.55%	0.31%	0.15%	0.06%	0.01%	0.00%
2017-Dec	1,362,702,999	0.75%	0.32%	0.16%	0.10%	0.05%	0.01%
2018-Jan	1,435,154,772	0.54%	0.18%	0.06%	0.02%	0.00%	0.00%

2018-Feb	1,455,636,468	0.47%	0.15%	0.08%	0.02%	0.01%	0.00%
2018-Mar	1,502,121,432	0.56%	0.20%	0.06%	0.01%	0.01%	0.00%
2018-Apr	1,521,032,476	0.74%	0.14%	0.03%	0.01%	0.00%	0.00%
2018-May	1,537,988,848	0.43%	0.36%	0.05%	0.01%	0.01%	0.00%
2018-Jun	1,543,154,116	0.49%	0.27%	0.07%	0.01%	0.00%	0.00%
2018-Jul	1,539,592,135	0.46%	0.27%	0.06%	0.02%	0.00%	0.00%
2018-Aug	1,508,909,889	0.61%	0.29%	0.08%	0.02%	0.01%	0.00%
2018-Sep	1,530,366,004	0.48%	0.28%	0.10%	0.04%	0.01%	0.00%
2018-Oct	1,550,874,047	0.57%	0.28%	0.08%	0.04%	0.01%	0.00%
2018-Nov	1,586,572,369	0.46%	0.34%	0.09%	0.03%	0.01%	0.00%
2018-Dec	1,607,415,973	0.85%	0.37%	0.14%	0.05%	0.01%	0.00%

Delinquency Rates

ALL



Inferential statement of the Issuer

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

Economic Environment

The growth of the world economy should have continued slowing down in the first quarter of 2019, but was still solid at a rate of just under 3%. Key economic indicators have further weakened recently, and do not currently suggest any renewed acceleration of growth. However, stock markets have recovered significantly since the beginning of the year, due not least to the slight easing of the trade conflict between the United States and China. An additional positive factor is that the US Federal Reserve announced that it has no plans for further interest-rate increases for the time being. Growth of the US economy was held back in the first quarter, among other things by the unusually long government shutdown at the beginning of the year, but lost only a little of its dynamism compared with the previous quarters. Sentiment in the European Monetary Union continued to worsen significantly in the first quarter; the pronounced phase of manufacturing weakness in particular slowed growth to just over 1%. The Chinese government responded to the economy's ongoing growth slowdown with the introduction of appropriate support measures; growth stabilized accordingly at 6.4%, in line with expectations. Crude-oil prices increased by more than 25% during the quarter and were at a similar level to a year earlier at the end of March. This was to the benefit of emerging economies that export raw materials. The weak phase of worldwide demand for cars continued in the first quarter and was slightly below the previous year's level, mainly due to the continued significant contraction of the Chinese market. Although the decrease in China was significantly smaller in March than in the previous months, car sales fell by a double-digit percentage once again in the first quarter. The European market was slightly smaller than in the first quarter of last year, with unit sales in Western Europe also decreasing slightly. Demand for cars in Germany and in France was close to the prior-year level, while the British market contracted slightly. The market in Eastern Europe decreased slightly. While sales of cars in Russia remained at the prior-year level, the Turkish market shrank substantially by more than 40%.The US market for cars and light trucks remained at a high level, although a slight decrease was recorded compared with the first quarter of last year. Car sales in Japan were close to the level of the prior-year period. In India the market slightly decreased. Demand for medium- and heavy-duty trucks continued to develop disparately in the various regions. The market in the NAFTA region continued its upswing and significantly surpassed the prior-year level. In the EU30 region (European Union, Switzerland and Norway), demand made a solid start to the year and increased again slightly compared with the robust prior year level. The Brazilian market continued its recovery and expanded by nearly 50%. However, demand in the Turkish market slumped by more than 50% due to the country's severe economic crisis. The Russian market lost much of its dynamism and was only at about the previous year's level, according to the latest estimates. The most important Asian markets from Daimler's perspective displayed various tendencies at the beginning of the year. In Japan, demand for light-, medium- and heavy-duty trucks remained solid and slightly exceeded the prior-year level. The Indian market also grew slightly compared with its already high prior-year volume. On the other hand, the Chinese market declined slightly towards the end of the quarter, but from a very high level. Demand for vans in the EU30 region continued to grow in the first quarter of 2019. The market volume increased by 10% for midsize and large vans and by 4% for midsize pickups. Demand for small vans was at the level of the prior-year quarter. The US market for large vans was slightly higher than in the first quarter of last year. Starting from a low level, the market for large vans in Latin America grew significantly.

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

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

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

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

i. the Notes are issued on the Issue Date of 3 July 2019;

ii. the first Payment Date will be 22 July 2019 and thereafter each following Payment Date will be on the 20th calendar day of each month, subject to the Business Day Convention;

iii. the relevant scheduled amortisation profile of the Loan Receivables as of the Cut-Off Date;

iv. the Loan Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;

v. the Loan Receivables are fully performing and do not show any delinquencies or defaults;

vi. the Loan Receivables are not subject to loan restructuring;

vii. no Loan Receivables are repurchased by the Originator from the Issuer in any situation other than under (viii);

viii. the Originator will exercise its right to exercise the Call Option at the earliest Payment Date possible; and

ix. the initial amount of each Class of Notes is equal to the Aggregate Outstanding Note Principal Amount as set forth on the front cover of this Prospectus.

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

Class A Notes

CPR	Weighted Average Life *(in years)*	First Principal Payment Date	Expected Maturity Date
0%	1.44	Jul-19	Jun-22
5%	1.35	Jul-19	Apr-22
8%	1.30	Jul-19	Apr-22
10%	1.27	Jul-19	Mar-22
15%	1.18	Jul-19	Feb-22

Class B Notes

CPR	Weighted Average Life *(in years)*	First Principal Payment Date	Expected Maturity Date
0%	3.05	Jun-22	Jul-22
5%	2.88	Apr-22	May-22
8%	2.80	Apr-22	Apr-22
10%	2.80	Mar-22	Apr-22
15%	2.71	Feb-22	Mar-22

Default Rate: 0%

Clean-up Call: at 10%

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

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

Assumed Amortisation of the Notes

This amortisation scenario is based on the assumptions listed above under Weighted Average Life of the Notes and is assuming a CPR of 8 per cent. It should be noted that the actual amortisation of the Notes may differ substantially from the amortisation scenario indicated below.

CPR: 8%
Default Rate: 0%
Clean-up Call: at 10%

Payment Date	Class A Principal Outstanding	Class A Amortisation	Class B Principal Outstanding	Class B Amortisation
Closing Date	500,000,000.00		58,665,000.00	
Jul-19	485,091,876.01	14,908,123.99	58,665,000.00	0.00
Aug-19	470,328,200.01	14,763,676.01	58,665,000.00	0.00
Sep-19	454,139,869.91	16,188,330.10	58,665,000.00	0.00
Oct-19	435,950,988.85	18,188,881.07	58,665,000.00	0.00
Nov-19	417,697,818.17	18,253,170.67	58,665,000.00	0.00
Dec-19	398,956,340.42	18,741,477.75	58,665,000.00	0.00
Jan-20	380,858,339.19	18,098,001.23	58,665,000.00	0.00
Feb-20	363,684,365.66	17,173,973.53	58,665,000.00	0.00
Mar-20	346,688,465.73	16,995,899.93	58,665,000.00	0.00
Apr-20	329,023,896.06	17,664,569.67	58,665,000.00	0.00
May-20	313,057,521.82	15,966,374.23	58,665,000.00	0.00
Jun-20	295,848,939.84	17,208,581.98	58,665,000.00	0.00
Jul-20	279,381,218.51	16,467,721.33	58,665,000.00	0.00
Aug-20	263,594,052.12	15,787,166.40	58,665,000.00	0.00
Sep-20	250,509,565.19	13,084,486.93	58,665,000.00	0.00
Oct-20	235,129,682.98	15,379,882.21	58,665,000.00	0.00
Nov-20	219,635,970.06	15,493,712.92	58,665,000.00	0.00
Dec-20	203,739,040.00	15,896,930.06	58,665,000.00	0.00
Jan-21	188,274,254.70	15,464,785.30	58,665,000.00	0.00
Feb-21	173,900,202.34	14,374,052.35	58,665,000.00	0.00
Mar-21	158,281,874.25	15,618,328.09	58,665,000.00	0.00
Apr-21	141,928,966.41	16,352,907.84	58,665,000.00	0.00
May-21	128,581,164.22	13,347,802.19	58,665,000.00	0.00
Jun-21	113,856,970.79	14,724,193.43	58,665,000.00	0.00
Jul-21	99,959,786.79	13,897,183.99	58,665,000.00	0.00
Aug-21	86,643,422.36	13,316,364.43	58,665,000.00	0.00
Sep-21	76,691,760.60	9,951,661.76	58,665,000.00	0.00
Oct-21	62,469,330.99	14,222,429.61	58,665,000.00	0.00
Nov-21	47,973,132.14	14,496,198.85	58,665,000.00	0.00
Dec-21	34,014,746.01	13,958,386.14	58,665,000.00	0.00
Jan-22	20,544,200.77	13,470,545.24	58,665,000.00	0.00
Feb-22	10,468,188.15	10,076,012.61	58,665,000.00	0.00
Mar-22	1,262,319.41	9,205,868.75	58,665,000.00	0.00
Apr-22	0.00	1,262,319.41	0.00	58,665,000.00

THE ISSUER

1. GENERAL

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle for the purpose of issuing asset back securities pursuant to article 3 of Law 130/99, as a limited liability company (*società a responsabilità limitata*) with a sole quotaholder on 26 February 2019 under the name of Silver Arrow Merfina 2019-1 S.r.l. and enrolled in the register of the *società veicolo* held by Bank of Italy pursuant to article 4 of the Bank of Italy's Regulation dated 7 June 2017 No. 35581.8. The registered office of the Issuer is at Via Vittorio Betteloni, No. 2, 20131, Milan, Italy. The Fiscal Code and enrolment number with the Companies Register of Milan is 10705930963. The Issuer's telephone number is +39 02 7788051.

The Issuer has no employees, operates under Italian law and under its By-laws (*statuto*) it shall expire on 31 December 2100.

The authorised capital of the Issuer is Euro 10,000. The issued capital of the Issuer is Euro 10,000 fully paid up and fully owned by Special Purpose Entity Management S.r.l.

To the best of its knowledge, the Issuer is not directly or indirectly owned or controlled, apart by Special Purpose Entity Management S.r.l., being its sole quotaholder. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its Sole 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.

2. CORPORATE PURPOSE OF THE ISSUER

The scope of the Issuer, as set out in article 2 of its By-laws (*statuto*), is exclusively to purchase monetary receivables in the context of securitisation transactions, and to fund such purchases by issuing asset-backed securities or by other forms of limited recourse financing, all pursuant to article 3 of Law 130/99.

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the Terms and Conditions and the Intercreditor Agreement, *inter alia*, incur any other indebtedness for borrowed moneys or engage in any business, pay any dividends, repay or otherwise return any equity capital, consolidate or merge with any person or convey or transfer its property or assets to any person.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Terms and Conditions.

3. BUSINESS ACTIVITY

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation.

In respect of the Securitisation, the Issuer's principal activities will be the issue of the Notes, the entering into the Subordinated Loan Agreement, the entering into the Swap Agreement and the entering into all other Transaction Documents to which it is a party and the opening of the Issuer Accounts and the exercise of related rights and powers and other activities reasonably incidental thereto.

4. CORPORATE ADMINISTRATION AND MANAGEMENT

The current Sole Director of the Issuer is as follows:

Director	Business address	Principal activities outside the Issuer
Federico Mella	Via Vittorio Betteloni No. 2 20131, Milan	n/a

The Sole Director confirms that there is no conflict of interest between his duties as a Sole Director of the Issuer and his principal and/or other activities outside the Issuer.

5. CAPITAL AND SHARES, SHAREHOLDERS

The subscribed capital of the Issuer is set at EUR 10,000, fully paid up.

The quotaholder of the Issuer is Special Purpose Entity Management S.r.l..

6. CAPITALISATION

The capitalisation of the Issuer as at the Issue Date is as follows:

(a) **Issued share capital**	
Registered capital divided into quotas (fully paid)	€10,000
(b) **Loan capital**	
Class A Asset-Backed Floating Rate Notes due October 2030	€500,000,000
Class B Asset-Backed Fixed Rate and Variable Return Notes due October 2030	€58,665,000
Subordinated Loan	€5,600,000
Total loan capital	€564,265,000

7. INDEBTEDNESS

The Issuer has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Prospectus, other than that which it has incurred or shall incur in relation to the Securitisation.

8. HOLDING STRUCTURE

The Issuer's share capital is fully owned by Special Purpose Entity Management S.r.l (SPE Management S.r.l.) a company whose main corporate purpose is the holding of shares in companies established pursuant to Law 130/99. The sole shareholder of SPEM is a Dutch foundation named "Stichting SPEM", with registered address in Amsterdam (The Netherlands) Van Asch van Wijckstraat 55F, 3811 LP Amersfoort, registered at Netherlands Chamber of Commerce 64380890, Italian Fiscal Code 97732460155. The foundation does not have its own capital, has no members, does not handle money and is a non-profit organization.

9. SUBSIDIARIES

The Issuer has no subsidiaries or affiliates.

10. NAME OF THE ISSUER'S FINANCIAL AUDITORS

The auditor of the Issuer is KPMG S.p.A., whose registered office is at Via Vittor Pisani No. 25, 20124 Milan, Italy, registered in the special register (*albo speciale*) maintained by Consob and set out under Article 161 of the Consolidated Financial Act and under No. 13 in the Register of Accountancy Auditors (*Registro dei revisori contabili*).

11. FINANCIAL STATEMENTS

Since its date of incorporation the Issuer has not commenced operations and no statutory 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. The first financial statements of the Issuer will be published with respect to the period ending on 31 December 2019.

12. INSPECTION OF DOCUMENTS

For the life of the Notes, the following documents (or copies thereof) are available and may be inspected at the registered office of the Issuer:

(a) The Deed of Incorporation (*atto costitutivo*) and the By-laws (*statuto*) of the Issuer;

(b) the resolution of the quotaholders' meeting of the Issuer dated 28 June 2019, approving the issue of the Notes;

(c) the Prospectus and the Transaction Documents; and

(d) the historical financial information of the Issuer;

The Notes will be obligations of the Issuer and will not be guaranteed by, or be the responsibility of Mercedes-Benz Financial Services Italia S.p.A., Mercedes-Benz Italia S.p.A. or any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Originator, the Servicer, the Representative of the Noteholders, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Paying Agent, the Swap Counterparty, the Calculation Agent and the Corporate Services Provider.

THE ORIGINATOR, THE SERVICER AND THE SUBORDINATED LENDER

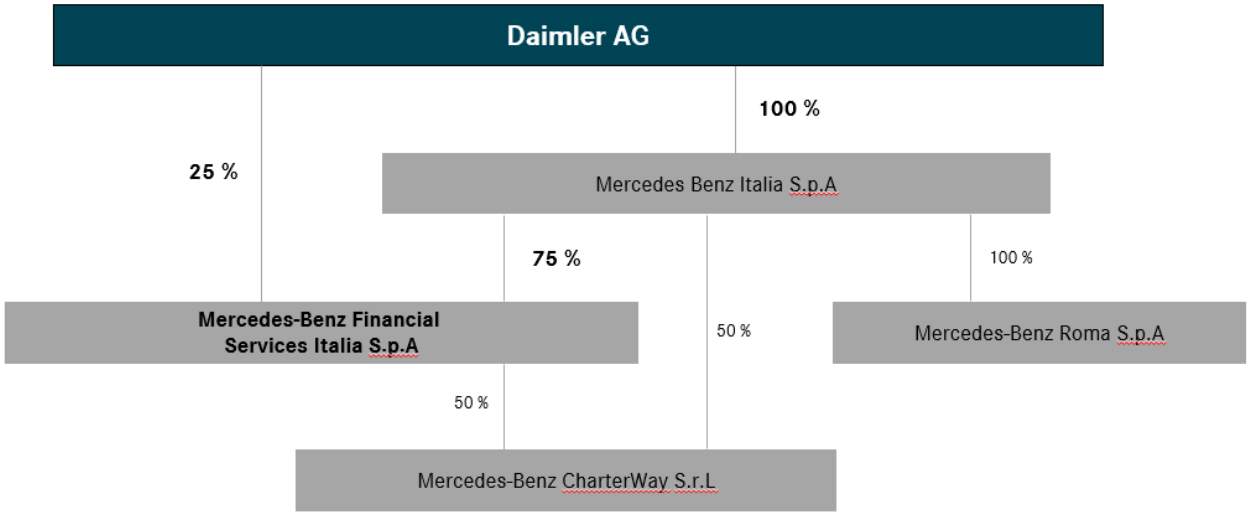
BUSINESS AND ORGANISATION OF MBFSI

Mercedes-Benz Financial Service Italia S.p.A ("**MBFSI**") is a finance company incorporated in Italy as a joint stock company (*società per azioni*), authorised and regulated for capital and prudential purposes by the Bank of Italy and enrolled in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act. Accordingly, as of the date of this Prospectus, MBFSI complies with the prudential and capital requirements established by the Bank of Italy with respect to such financial intermediaries.

MBFSI has originated and serviced auto-loans for more than five years, being exposures similar to the Loan Receivables.

MBFSI is a subsidiary of Daimler AG, the parent company responsible for all Daimler products and services worldwide (see corporate structure chart below). MBFSI has been supporting Daimler Group sales in Italy for over 42 years starting its activities in 1977. Daimler brands in Italy encompass Mercedes-Benz, smart, Fuso and Setra. Daimler automobile dealerships are sales partners for automotive financial services.

Current Corporate Structure of Mercedes-Benz Group in Italy



Financing Products

MBFSI offers two types of financing product to retail customers:

- **Standard Financing**: Constant monthly instalments (including interest) are paid until the full loan amount has been repaid.
- **Balloon Financing:** Lower monthly instalments compared to standard financing and a higher final instalment at contract maturity (the balloon payment). Irrespective of his payment obligation, the customer may apply for a new loan contract to refinance the final balloon instalment.

In addition to the financing products mentioned, MBFSI also offers a variety of leasing arrangements where ownership of the vehicle is an option available to the customer. Further, in cooperation with well-known insurance companies, MBFSI offers its retail customers various insurance products. The most important are:

- "Return to Invoice" (Feel New): covers the gap between the original purchase price of the vehicle and the commercial value in case of total loss or theft/accident.

- "Motor Insurance" (Feel Star): covers total and partial damages in case of theft, fire or natural events.

Points of Sale

Retail business is introduced to MBFSI via the Retailer/Dealer Network.

The dealer network in Italy is represented by 62 separate groups (62 franchises and one Daimler owned retail) who operate in the different market areas throughout Italy. The network is long established and periodic checks are made to ensure that the dealers have the relevant licences and permissions. Close working relationships over a long period enables Mercedes-Benz to understand and support partners to align with the brand values to ensure the best customer experience possible.

The Point of Sale Systems

An electronic point of sale system (ePOS) is provided to the entire dealer network and enables the input of customer and vehicle data in order for MBFSI to provide finance quotations, credit approval, contract document printing and activation of finance agreements, as appropriate.

All MBFSI finance offers and specifics finance are uploaded into the ePOS system.

Antitrust Proceedings

In December 2018, the Italian Competition Authority (*L'Autorità Garante della Concorrenza e del Mercato*) concluded an investigation against captive banks in Italy and their shareholders (case I811 - Automotive Financing). In its decision, the authority found that the captive banks had participated in an illicit exchange of competitively sensitive information. MBFSI and Daimler AG were part of the proceedings but were granted full immunity from a fine.

CREDIT AND COLLECTION POLICY

The following provides an overview of the credit origination and collections processes.

Credit Underwriting Process

Contract applications are submitted electronically from the dealership to MBFSI and provide the applicant's personal details to allow MBFSI to assess the customer's creditworthiness. The personal details requested include address, date of birth, contract telephone numbers, email address, current employment status and income.

Once an application has been received a unique contract number is assigned to the proposal. A customer can have more than one contract, but only one customer number. This enables MBFSI to track total exposure and manage customers' contracts in a consistent manner.

All applications are screened through a fraud detection database.

Credit Bureau provides information regarding payment behaviour to finalise the credit application.

Further checks are automatically performed in order to verify the applicants' presence in Politically Exposed Persons database or in the international sanction list.

MBFSI reports customer payment performance to the Bank of Italy ("**Centrale Rischi**") on a monthly basis.

Furthermore, MBFSI contributes to credit bureau databases like CRIF and Experian, submitting payment behavior and exposure data about customers.

Scoring Process

Generally, scoring is used for gross exposures below Euro 500,000. Each of these applications is scored using a proprietary scorecard. The score represents the risk of default. Customers determined by the scoring system to represent an acceptable level of risk will be automatically approved.

The scoring system operates within various predetermined business rules. These business rules are used to refer applications to an analyst regardless of score. All applications that fall below the scorecards acceptable credit risk score or fail a business rule will be referred to an analyst for review.

Each analyst has an individual credit authority limit ("**CAL**"), depending on the role in the credit department. These CALs range up to Euro 500,000. All credit decisions above an individual CAL must be countersigned by an analyst or manager with the appropriate credit authority limit. The analyst will review the application, evaluate the customer's current and previous credit commitments and may carry out supplementary agency searches in order to determine a customer's creditworthiness.

Customer income verification is mandatory in order to support the creditworthiness and finalise a lending decision.

Rating Process

Generally, a rating applies for all corporates and commercial customers with a gross exposure higher than Euro 500,000. The evaluation and documentation of the creditworthiness of corporate customers is done within a global Daimler tool for corporate lending.

Ratings as well as financial statements are stored in that tool. The current rating scheme was developed in 2003 and enhanced year over year. Applicant's financial statements are recorded in a locally defined chart of accounts.

To assign a rating to a customer, qualitative and quantitative data will be analysed. The corporate rating model consists of different sections. A weight is assigned to each section, reflecting the effect on the borrower's risk to default on his financial commitments.

Servicing and Collection Procedures

Customers have numbers of options to interact with MBFSI once a contract has been activated. The usual options are phone, letter, email or a web based portal. The customer operations team within MBFSI manages the in-life changes of a customer's finance agreement.

Credit Risk Management

All contracts are setup with automated regular payments via direct debit. The collections team - consisting of highly specialised and experienced collection experts - manage loans where the regular payment schedule has broken down. This may be for a variety of reasons from simple administrative problems to cases of genuine financial difficulty.

The first stage of the collection process is based on the instalment re-debit. If the overdue payments can be collected and the customer is apparently able to re-start regular repayments the issue is resolved.

Where the customer has financial difficulty the collections team has a variety of options with which to exercise forbearance. For customers with short term cash flow issues a short term payment plan may be agreed. For customers with medium to long-term repayment issues re-financing or restructuring of the agreement may be necessary.

Where no progress is being made towards resolving the situation MBFSI will seek to escalate activity according to a reasonable timeline. For the Customers who fall more than two instalments in arrears a notice of default will be issued.

If MBFSI is still having difficulties curing the non-performing loan, the customer case is moved to external recovery agencies. The process is based on two steps, if the first external recovery agency does not solve the case, the customer is assigned to another recovery agency for a second recovery attempt.

After the expiration of the notice of default and in the absence of any customer reaction, the contract will be terminated.

MBFSI will assign the case to a legal collector in order to assess the current status and to proceed with a proper legal action. The legal processes are monitored on a timely basis, to ensure accounts are worked and are actioned in-line with MBFSI's policies and values.

Prepayment Management

Under the terms of the agreement a customer has the right to terminate the contract early by paying the remaining amounts due, less a discounted amount of interest to reflect the early nature of the payment. These early settlements are handled by the customer operations team as a matter of daily business.

Repossession and sale of Vehicles

In case of a repossession the customer can return the vehicle only together with the power of attorney to sell the vehicle. MBFSI will manage the sale on behalf of the customer and based on a residual value matrix.

THE REPRESENTATIVE OF THE NOTEHOLDERS

Zenith Service S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, whose registered office is at Via Vittorio Betteloni No. 2, 20131 Milan, Italy, share capital of Euro 2.000.000 (fully paid-up), Fiscal Code and enrolment with the Companies Register of Milan No. 02200990980, registered in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under No. 30, ABI Code 32590.2.

The information contained herein relating to Zenith Service S.p.A. has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Zenith Service S.p.A. since the date of this Prospectus, or that the information contained or referred to herein is correct as of any time subsequent to such date.

THE SWAP COUNTERPARTY

This description of the Swap Counterparty does not purport to be an abstract of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreement and the other Transaction Documents.

Crédit Agricole Corporate and Investment Bank will serve as the swap counterparty. Crédit Agricole Corporate and Investment Bank is a *société anonyme* incorporated under, and governed by, the laws of France, whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex - France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304 187 701. Crédit Agricole Corporate and Investment Bank is subject to Articles L.225-1 *et seq.* of Book 2 of the French Commercial Code. As a credit institution, Crédit Agricole Corporate and Investment Bank is subject to Articles L.511-1 *et seq.* and L.531-1 *et seq.* of the French Monetary and Financial Code.

As of 31 December 2018, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to Euro 7,851,636,342 divided into 290,801,346 shares with a nominal value of Euro 27 each. Crédit Agricole Corporate and Investment Bank's share capital is held at more than 99% by the Crédit Agricole Group. Crédit Agricole S.A. holds more than 97% of the share capital of Crédit Agricole Corporate and Investment Bank.

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

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its main activities are financing, capital markets and investment banking and wealth management:

- financing activities, which include the commercial banking business lines in France and abroad as well as the structured finance: project finance, aeronautics financing, shipping financing , acquisitions financing, real estate financing ;

- capital markets and investment banking covers capital market activities (treasury, foreign exchange, interest rate derivatives, debt markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory).

- Crédit Agricole CIB is also active in Wealth Management through its locations in France, Belgium, Switzerland, Luxembourg, Monaco, Spain, Brazil and Asia.

S&P has affirmed A+/A-1 ratings for long and short term unsecured debt on 19 October 2018 with a perspective revised to stable from positive; Moody’s has affirmed A1/P-1 ratings on 5 July 2018 with a perspective revised to positive from stable and Fitch has affirmed A+/Stable/F1 ratings on 4 December 2018.

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

THE ACCOUNT BANK, CALCULATION AGENT AND PAYING AGENT

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank.

U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the UK Branch of Elavon Financial Services DAC from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

Law 130/99

General

Law 130/99 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

Law 130/99 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 Law 130/99 (the "**SPV**") and all amounts paid by the debtors in respect of the receivables are to be used by the SPV exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

In 2013 and 2014, Law 130/99 was subject to various amendments aimed at strengthening the legislative framework of the Italian securitisation transactions. Such amendments were introduced by Decree No. 145 and Decree No. 91 (the "**Decrees**").

The following paragraphs set out a summary of the key features of Law 130/99, as amended by the new provisions introduced by the Decrees which are relevant to securitisations transactions (the "**New Provisions**").

Prospective Noteholders should however, be aware that, as at the date of this Prospectus, these New Provisions of Law 130/99 introduced by Decree No. 145 and Decree No. 91 have not been tested in any case law, nor specified in any further regulation and could be in conflict with the provision relating to the bail-in and the other resolution tools recently implemented in Italy.

Procedure for the assignment

The assignment of receivables under Law 130/99 was originally governed only by article 58 of the Consolidated Banking Act. As a result, the securitised receivables had to be identifiable as a pool *(in blocco)* and the relevant assignment in favour of the SPV was perfected by way of (i) the publication a notice of assignment in the Official Gazette of the Republic of Italy setting out all the relevant selection criteria of the securitised receivables and (ii) the registration of the relevant assignment in the SPV's Companies Register (collectively, the "**Publication and Registration**").

The New Provisions have simplified the assignments under Law 130/99 of receivables falling within the scope of the Italian Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business, such as the Loan Receivables. More specifically, in relation to such type of receivables, as an alternative to the use of Article 58 of the Consolidated Banking Act and the relevant Publication and Registration, the New Provisions have introduced the possibility to perfect the assignment without the need to identify the securitised receivables as a pool *(in blocco)*, as follows:

(i) by publishing in the Italian Official Gazette a simplified notice of assignment which only needs to set out the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment (the "**Simplified Publication**"); or

(ii) by applying the relevant provisions of the Italian Factoring Law. This means that the assignment can also be perfected upon simple payment (in full or in part) to the relevant originator of the purchase price of the receivables, subject to such payment having a date certain at law (which is capable of being obtained through its simple registration in the relevant bank account of the originator) (the "**Payment**").

The sale of the Loan Receivables from the Originator to the Issuer has been perfected through the aforementioned Simplified Publication described in the preceding paragraph (i). Particularly, such Simplified Publication was made on 22 June in the Official Gazette Part II, No. 73, of 22 June 2019.

The Simplified Publication has also triggered the enforceability of the assignment against third parties other than the assigned debtors (i.e. in respect of such debtors the enforceability can be obtained only upon the assignment being individually notified to or accepted by them, as provided for by the ordinary regime contemplated by the Italian Civil Code).

Statutory segregation

As stated in the preceding paragraph entitled *"Procedure for the assignment"*, pursuant to Law 130/99, with effect from the date of the relevant Publication and Registration (or Simplified Publication or Payment, as the case may be), the receivables relating to each securitisation transaction are, by operation of law, segregated for all purposes from all other assets of the relevant SPV (including any other receivables purchased by the SPV pursuant to Law 130/99). Therefore, prior to and following a winding up of the SPV, such receivables will only be available to (i) satisfy the obligations of the SPV to the relevant noteholders and (ii) pay the relevant transaction's costs.

Moreover, with effect from the date of the relevant Publication and Registration (or Simplified Publication or Payment, as the case may be), no legal action may be brought against the assigned receivables or the sums derived therefrom other than for the purposes of enforcing the rights of (i) the relevant noteholders and (ii) the SPV's creditors in respect of the relevant transaction's costs.

In addition, the receivables relating to a particular transaction may not be seized or attached in any form by creditors of the relevant SPV, other than the relevant noteholders.

The Decrees strengthened the statutory segregation of Law 130/99 by establishing that the assets which are subject to such statutory segregation also include (in addition to the securitised receivables as already contemplated), also:

(i) any other receivables due to the SPV in the context of the securitisation transaction (e.g. those arising from the transaction documents, including any hedging agreements);

(ii) the relevant collections of both the securitised receivables and those referred to above; and

(iii) the financial assets purchased through such collections in the context of the transaction (i.e. the eligible investments).

Moreover, the Decrees also introduced certain specific new segregation and bankruptcy provisions dealing with the following type of transaction accounts:

(a) the bank accounts in the name of the SPV (the "**SPV Accounts**") held with the account bank or the servicer for the deposit of (a) the collections of the securitised receivables and (b) any other amounts paid or belonging to the SPV under the securitisation pursuant to the relevant transaction documents; and

(b) the bank accounts in the name of the servicer (or of the sub-servicers) (the "**Servicer Accounts**") for the deposit of the collections of the securitised receivables.

Regarding the SPV Accounts, the New Provisions expressly established that sums credited thereunder can (a) be seized and attached only by the relevant noteholders and (b) be used only to satisfy the claims of such noteholders and the hedging counterparty, as well as to pay the transaction's costs.

Similarly, in relation to the Servicer Accounts, the New Provisions established that sums credited thereunder can be seized and attached by the creditors of the Servicer only within the limit of the amounts exceeding the sums collected and due to the SPV in respect of the securitised receivables.

Finally, pursuant to the New Provisions, if the relevant bank holding the SPV Accounts or the servicer (or the sub-servicers) with to the Servicer Accounts is subject to any insolvency proceeding, then the amounts deposited (both prior to and during such proceeding) into the relevant SPV Accounts or Servicer Accounts, as the case may be, will not be subject to suspension of payments and will be immediately repaid to the SPV, without the need to file any petition in the relevant insolvency proceeding and outside of any distribution plan. Particularly, such repayment principle applies (a) in respect of the SPV Accounts, to all the sums deposited thereunder and (b) in respect of the Servicer Accounts, exclusively to an amount equal to sums deposited into such accounts which have been collected and are due to the SPV (i.e. the collections of the securitised receivables).

It is to be noted however that 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.

Claw-back

Assignments executed under Law 130/99 are still subject to claw-back action on bankruptcy pursuant to Article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made (i) within three months of the securitisation transaction, in case paragraph 1 of Article 67 applies and (ii) within six months of the securitisation transaction, in case paragraph 2 of Article 67 applies (and not six months or 1 year, respectively, as the normal regime of Article 67 provides).

Moreover, following the Publication and Registration (or the Simplified Publication or the Payment, as the case may be), the payments made to the SPV by any assigned debtors in respect of the relevant receivables may not be clawed-back pursuant to Articles 65 and 67 of the Bankruptcy Law (by the receiver of any such debtor which becomes subject to any insolvency proceedings).

It is uncertain however, whether such limitations on claw-back would be applicable if the relevant insolvency procedure or claw-back action were not governed by the laws of the Republic of Italy.

Limitation of the set-off rights of the assigned debtors

The New Provisions also expressly dealt with the risk of the exercise of any set-off rights by the assigned debtors of the receivables. More specifically, it has been provided that, with effect from the date of the Publication and Registration (or of the Simplified Publication or the Payment, as the case may be), in derogation of any other provision of law, assigned debtors are not entitled to exercise set-off between the securitised receivables and their claims against the assignor arising after such date. However, in respect of the risk of set-off by any Obligors qualifying as a "consumer", please see also paragraph 3.2 (b)(v) (*Italian consumer protection legislation*) of the Section entitled *"Risk Factors"*.

The Issuer

According to Law 130/99, the SPV shall be a *società di capitali*.

The enforcement proceedings in general

The enforcement proceedings can be carried out on the basis of final judgments or other legal instruments known collectively as *titoli esecutivi*.

Save where the law provides otherwise, the enforcement must be preceded by service of the order for the execution (*formula esecutiva*) and the notice to comply (*atto di precetto*).

The notice to comply (*atto di precetto*) is a formal notice by a creditor to his debtor advising that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than ninety days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian code of civil procedure provides for different rules concerning respectively:

- distraint and forced liquidation of mobile goods in possession of the debtor;
- distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and
- distraint and forced liquidation of real estate properties.

The Italian Code of Civil Procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

- first, the debtor's goods are seized;
- second, other creditors may intervene;
- third, the debtor's assets are liquidated; and
- fourth, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

Enforcement proceedings on movable assets in possession of the debtor

With reference to the seizure and forced liquidation of movable assets in possession of the debtor, seizure begins with the application of the lawyer to the bailiff to proceed at the debtor's house/office or other place and to seize all the debtor's movable assets he/she will find there. The bailiff may look for the movables assets to seize in the debtor's house or in other places related to such debtor and the bailiff is also free to evaluate assets found and keep them seized. However,

certain items of personal property cannot be seized.

After the seizure, the bailiff writes a record that contains the injunction to the debtor to refrain from any act that would interfere with the liquidation of the seized property and the description of the movables beings seized. Normally the debtor is named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence.

After the seizure, the bailiff must deposit the record and the title executed and the notice to comply in the chancery of the execution judge. In this moment the chancellor will open the file of the execution.

After the deposit of the written petition above, the judge fixes the date for the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge decides for the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount which must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge agrees, he provides consequently to the distribution. If there is no agreement between the creditors the judge provides to the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

The debtor may avoid the seizure by paying the amount due to the bailiff for delivery to the creditor. Such payment does not constitute recognition of the debt and the debtor is not precluded from bringing an action for restitution of the amount, should he prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He/she may select various types of property and may bring proceedings in more than one district. However, if he/she selects more properties than necessary to satisfy his/her right, the debtor may apply to have this selection

restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of ninety days, otherwise the seizure lapses.

Normally, the debtor's distrained property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors *in lieu* of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 45 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

(a) money received upon the sale or assignment of the debtor's assets;

(b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

(c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge hears the parties and he/she will decide. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

Subrogation

Legislative Decree 141 has introduced in the Consolidated 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. Legislative Decree 141 repealed article 8 (except

for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Legislative Decree No. 79 of 16 March 1999 (the so called "Bersani Decree"), replicating though, with some additions, such repealed provisions. The purpose of article 120-*quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

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

Implementation of Directive 2008/48/EC

Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 establishes certain provisions aiming at ensuring protection for "consumer" (i.e. individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities) in the context of the granting of loans to consumers.

In Italy, the provisions of Directive 2008/48/EC have been implemented pursuant to Legislative Decree 13 August 2010 no. 141 setting out a consumer loans legislative framework which has been included in articles 121 to 126 of the Consolidated Banking Act.

No severe clawback provisions

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.

TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which is however subject to a potential retroactive change. Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective Noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Article 6, paragraph 1, of Law 130/99 and Decree No. 239, as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to Law 130/99.

Italian Resident Noteholders

Where an Italian resident Noteholder is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "**Capital gains tax**" below);
(b) a non-commercial partnership;
(c) a private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
(d) an investor exempt from Italian corporate income taxation,

Interest relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. All the above categories are qualified as "net recipients".

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 and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

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 savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in article 1(100-114) 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 ("**Finance Act 2019**").

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP (the regional tax on productive activities ("**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, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes 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, or pursuant to article 14-*bis* of Law No. 86 of 25 January 1994, and Italian real estate SICAFs (together, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV ("*Società di investimento a capitale variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident Noteholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but 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 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 (100-114) of Finance Act 2017 and in Article 1(211-215) of Finance Act 2019.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (i) (a) be resident in Italy or (b) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (c) be an entity or a company not resident in Italy,

acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239, and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively 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 and listed in a Ministerial Decree to be issued under article 11, par. 4, let. c) of Decree No. 239 (the "**White List**"). The White List will be updated every six months period. In absence of the issuance of the Ministerial Decree providing the White List, reference has to be made to the list set out by the Italian Ministerial Decree dated 4 September 1996, as amended from time to time; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List. In absence of the issuance of the Ministerial Decree providing the White List, reference has to be made to the list set out by the Italian Ministerial Decree dated 4 September 1996, as amended from time to time.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must:

(a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption.

Noteholders who are subject to the substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Noteholder.

2. CAPITAL GAINS TAX

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. The Noteholders may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholders holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:

(i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

(ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholders or using funds provided by the Noteholders for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently

realized, 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 Noteholders are not required to declare the capital gains in the annual tax return.

(c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholders are not required to declare the capital gains realised in the annual tax return.

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 savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in article 1(100-114) of Finance Act 2017 and in Article 1(211-215) of Finance Act 2019.

Any capital gains realised by a Noteholder who is a Fund will neither be subject to *imposta sostitutiva* on capital gains, nor to any other income tax in the hands of the relevant Noteholders; the Collective Investment Fund Tax will be levied on proceeds distributed by the Fund or received by certain categories of unitholders upon redemption or disposal of the units.

Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of 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 (100-114) of Finance Act 2017 and in Article 1(211-215) of Finance Act 2019.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income taxes.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that a proper documentation is filed and the effective beneficiary is either:

(a) resident in a State included in the White List or, absent that, in the list set out by Italian Ministerial Decree dated 4 September 1996, as amended from time to time;
(b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;
(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or
(d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List or, absent that, the list set out by Italian Ministerial Decree dated 4 September 1996, as amended from time to time.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

3. INHERITANCE AND GIFT TAXES

Transfers of any valuable asset (including the Notes or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding, for each beneficiary, €1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding, for each beneficiary, €100,000; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

4. STAMP DUTY

Pursuant to article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000.00 if the Noteholder is not an individual.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods less than 12 months, the stamp duty is payable on a *pro-rata basis*.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client -

regardless of the fiscal residence of the investor - (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.

5. WEALTH TAX ON SECURITIES DEPOSITED ABROAD

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does apply.

6. TAX MONITORING

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Notes) directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

SUBSCRIPTION AND SALE

SUBSCRIPTION OF THE NOTES

Senior Notes Subscription Agreement

Pursuant to the Senior Notes Subscription Agreement, the Issuer has agreed to issue the Class A Notes and the Joint Lead Managers, the Joint Bookrunners and the Managers have agreed to subscribe for such Class A Notes at an issue price of 100 per cent. of their principal amount, subject to certain customary closing conditions.

Under the Senior Notes Subscription Agreement, the Joint Lead Managers, the Joint Bookrunners and the Managers have also appointed the Representative of the Noteholders, in their capacity as initial holders of the Class A Notes.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Joint Lead Managers, the Joint Bookrunners and the Managers in certain circumstances prior to payment for the Class A Notes to the Issuer.

Under the Senior Notes Subscription Agreement, the Issuer and the Originator have agreed to indemnify the Joint Lead Managers, the Joint Bookrunners and the Managers against certain liabilities in connection with the issue and subscription of the Class A Notes, as well as against any damages arising out of or being based upon, but not limited to, (a) any untrue statement of a fact contained in the Prospectus and (b) any breach of any of its representations, warranties and covenants of the Senior Notes Subscription Agreement, *provided that* no indemnification shall be made to the extent such damages are caused by gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Joint Lead Managers and Joint Bookrunners and the Managers, as determined by a final judicial decision of a court of competent jurisdiction.

The Originator has agreed to pay each Joint Lead Manager, Joint Bookrunner and Manager a placement fee as agreed between them by way of separate agreement.

Junior Notes Subscription Agreement

Pursuant to the Junior Notes Subscription Agreement, the Issuer has agreed to issue the Class B Notes and the Junior Notes Subscriber has agreed to subscribe for such Class B Notes at an issue price of 100 per cent. of their principal amount, subject to certain customary closing conditions.

Under the Junior Notes Subscription Agreement, the Junior Notes Subscriber has also appointed the Representative of the Noteholders, in its capacity as initial holder of the Class B Notes.

The Junior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Junior Notes Subscriber in certain circumstances prior to payment for the Class B Notes to the Issuer.

No fees or concession shall be due and payable to the Junior Notes Subscriber as consideration for its subscription of the Class B Notes and any of its other obligations undertaken under the Junior Notes Subscription Agreement.

In respect of the obligation of the Issuer to make payment on the Notes, under the Terms and Conditions the payment obligations of the Issuer in respect of the Class B Notes are subordinated to its payment obligations in respect of the Class A Notes, the Other Issuer Creditors and any other creditors of the Issuer, as provided by the applicable Priority of Payments. Therefore, in the event that the Issuer sustains losses and is unable to meet in full its obligations in respect of each of its creditors, the first creditors to bear any shortfall shall be the Junior Noteholders.

SELLING RESTRICTIONS

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered. Each of the Joint Lead Managers, the Joint Bookrunners and the Managers has agreed that it will not offer, sell or deliver any of the Class A Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on each of the Joint Lead Managers, the Joint Bookrunners and the Managers except as set out in the Senior Notes Subscription Agreement.

The Notes sold on the Issue Date may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each purchaser of the Notes, including beneficial interests therein, will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances (including as a condition to placing an order relating to the Notes), will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

Under the Senior Notes Subscription Agreement each Joint Lead Manager, Joint Bookrunner and each Manager has agreed that it will, directly or indirectly, sell and deliver any of the Class A Notes only to persons which are not Risk Retention U.S. Persons, unless otherwise agreed by the Originator.

With reference to general selling restrictions, in relation to the Class A Notes under the Senior Notes Subscription Agreement the Joint Lead Managers, the Joint Bookrunners and the Managers have, *inter alia*, given certain representations and warranties and made certain undertakings dealing with selling restrictions in respect of the Class A Notes, being summarised in the following paragraphs of this section entitled "*Subscription and Sale*".

As per the Class B Notes, under the Junior Notes Subscription Agreement, the Junior Notes Subscriber has covenanted to and agreed with the Issuer, *inter alia*, that:

(i) it will subscribe for the Junior Notes for its own account and that it fully understands the risks involved in acquiring and holding such Class B Notes; and

(ii) in case it sells, transfers or disposes of the Junior Notes, it will prior notify the Issuer and the Representative of the Noteholders;

(iii) if, at any time, it offers for sale or sells, transfers or disposes of the Class B Notes, it will do so only:

  (a) after making the relevant purchaser/s fully aware of the risks associated with an investment in the Class B Notes;

  (b) subject to the relevant purchaser/s being one or more *"clienti professionali"* (qualified investors) and not *"clienti al dettaglio"* (retail investors) (both as defined under CONSOB Resolution No. 20307 of 15 February 2018 implementing

Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time);

(c) in compliance with all applicable laws and regulations (including preparing - at its expenses - all relevant documents and making all relevant registrations and filings); and

(d) subject to the relevant purchaser/s assuming the same undertakings referred to in the preceding paragraphs (i), (ii) and this paragraph (iii).

United States of America and its Territories

(1) The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. Under the Senior Notes Subscription Agreement, each of the Joint Lead Managers, the Joint Bookrunners and the Managers has represented and agreed that it has not offered or sold the Class A Notes, and will not offer or sell the Class A Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Issue Date, except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Joint Lead Managers and Joint Bookrunners, nor the Managers, nor their respective Affiliates nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, the Joint Lead Managers, the Joint Bookrunners and the Managers will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from them during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. 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, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Issue Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section (1) have the meaning given to them in Regulation S under the Securities Act.

(2) Further, under the Senior Notes Subscription Agreement, each of the Joint Lead Managers, the Joint Bookrunners and the Managers has represented and agreed that:

(a) except to the extent permitted under U.S. Treas. Reg. section 1.163-5 (c)(2)(i)(D) (the "**TEFRA D Rules**"), (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, the Notes in bearer form to a person who is within the United States or its possessions or to a United States Person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions the Notes in bearer form that are sold during the restricted period;

(b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if it was considered a United States person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agreed that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. section 1.163-5 (c)(2)(i)(D)(6); and

(d) with respect to each Affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such Affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in this section (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

Republic of Italy

Under the Senior Notes Subscription Agreement, each of the Joint Lead Managers, the Joint Bookrunners and the Managers has represented, warranted and undertaken to the Issuer as follows:

No offer to public

The offering of the Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, no Notes have been or may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined under article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971**") and article 100 of the Consolidated Financial Act; 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 Consolidated Financial Act and article 34-*ter*, first paragraph, of Regulation 11971;

Offer to professional investors

Any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) and (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Consolidated Banking Act, as amended;

(ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing

instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

(iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Please note that, in accordance with article 100-bis of the Consolidated Financial Act, where no exemption under letter (a) or (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Consolidated Financial Act and Regulation 11971. Failure to comply with such rules may result, inter alia, in the sale of the Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

United Kingdom

Under the Senior Notes Subscription Agreement, each of the Joint Lead Managers, the Joint Bookrunners and the Managers 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 any 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 Notes in, from or otherwise involving the United Kingdom.

Republic of France

Under the Senior Notes Subscription Agreement, each of the Joint Lead Managers, the Joint Bookrunners and the Managers has represented and agreed that:

(c) the Prospectus is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des marchés financiers* ("**AMF**");

(d) the Notes have not been offered, sold or distributed and will not be offered, sold or distributed, directly or indirectly, to the public in France. Such offers, sales and distributions have been and shall only be made in France (i) to qualified investors *(investisseurs qualifiés*) acting for their own account and/or (ii) to persons providing portfolio management investment service for third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), each as defined in and in accordance with Articles L. 411-2-II, D. 411-1, D. 321-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (iii) in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities;

(e) pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the subsequent direct or indirect retransfer of the Notes to the public in

France can only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code; and

(f) this Prospectus and any other offering material relating to the Notes have not been and will not be submitted to the AMF for approval and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Prohibition of sales to EEA Retail Investors

Each of the Joint Lead Managers, the Joint Bookrunners and the Managers under the Senior Notes Subscription Agreement has represented, warranted and agreed 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.

USE OF PROCEEDS

The aggregate gross proceeds from the issue of the Notes amounting to EUR 558,665,000 will be used to purchase, on the Issue Date, a Portfolio of Loan Receivables secured by the Loan Collateral from the Originator at a Purchase Price of EUR 558,664,867.76, being equal to the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date. The residual amount of EUR 132.24 will be kept in the Operating Account.

GENERAL INFORMATION

1. Authorisation

The issue of the Notes was authorised by a resolution of the quotaholders' meeting of the Issuer, dated 28 June 2019.

2. Litigation

The Issuer is not, nor has been, since its incorporation and during the period covering at least the previous 12 months, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on its financial position or profitability, and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened, respectively.

3. Payment information and post-issuance information

The Issuer does not intend to provide any post-issuance transaction information regarding the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and the performance of the underlying Loan Receivables, except if required by any applicable laws and regulations.

For as long as the Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Class A Interest Amounts, the Interest Periods and the Class A Interest Rates and, if relevant, the payments of principal on the Class A Notes, in each case in the manner described in the Terms and Conditions.

Payments and transfers of the Notes will be settled through Monte Titoli, as described herein. The Notes have been accepted for clearing by Monte Titoli.

All notices regarding the Notes will be published through the systems of Monte Titoli and as long as the Class A Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

4. Material adverse change

In the period between the date of its incorporation and the date of this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer.

5. Miscellaneous

The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

6. Listing and admission to trading

Application has been made for the Class A Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange on the Issue Date. The estimated total expenses in relation to the listing and admission to trading are EUR 10,000.

7. Documents available for inspection

From the Issue Date until the Legal Maturity Date and in any case for the entire life of this Prospectus, copies of the following documents may also be inspected during customary business hours at the specified offices of the Paying Agent:

(a) the articles of incorporation of the Issuer;

(b) the resolutions of the board of directors of the Issuer approving the issue of the Notes;

(c) the future annual financial statements of the Issuer (interim financial statements will not be prepared);

(d) the Monthly Investor Reports;

(e) all notices given to the Noteholders pursuant to the Terms and Conditions; and

(f) this Prospectus and all Transaction Documents referred to in this Prospectus.

The Monthly Investor Report shall include, *inter alia*, detailed summary statistics and information regarding the performance of the Portfolio of the Loan Receivables and contain a glossary of the terms which can be found in the Master Definition Schedule of the Prospectus. The first Monthly Investor Report issued by the Issuer shall additionally disclose the amount of Notes (i) privately-placed with investors other than the Originator and its affiliated companies (together the "**Originator Group**"), (ii) retained by a member of the Originator Group and (iii) publicly-placed with investors which are not part of the Originator Group. In relation to any amount of Notes initially retained by a member of the Originator Group but subsequently placed with investors outside the Originator Group such circumstance will be disclosed (to the extent legally permitted) in the next Monthly Investor Report following such outplacing.

8. Central Securities Depository

Monte Titoli S.p.A.
Piazza degli Affari No. 6
20123 Milan
Italy

9. Clearing codes

Class A Notes	Class B Notes
ISIN: IT0005372674	ISIN: IT0005372682

Common Code: 200066537

10. Restrictions on transferability

The Notes shall be freely transferable, subject to the selling restrictions described in the section entitled "*Subscription and Sale – Selling Restrictions*".

11. Fees and Expenses

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 80,000 (excluding servicing fees and any VAT, if applicable).

12. Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 8156004B37D428BB1D82.

13. Home Member State for the purpose of the Transparency Directive

The Issuer will elect Luxembourg as Home Member State for the purpose of Directive 2004/109/CEE (the "**Transparency Directive**").

"**Account Bank**" means Elavon, any successor thereof or any other Person appointed as replacement account bank from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Administration Expenses**" means, during the life of the Securitisation, the fees, costs, and expenses (excluding indemnity payments) payable on each Payment Date with respect to:

(a) the Corporate Services Provider under the Corporate Services Agreement;

(b) the Account Bank under the Cash Allocation, Management and Payment Agreement;

(c) the Calculation Agent under the Cash Allocation, Management and Payment Agreement;

(d) the Paying Agent under the Cash Allocation, Management and Payment Agreement;

(e) the accountants and auditors of the Issuer;

(f) the Rating Agencies; and

(g) such other persons appointed by the Issuer as servicer providers.

"**Adverse Claim**" means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"**Agency**" means the Revenue Agency – Regional Direction of Lombardy.

"**Agents**" means the Calculation Agent, the Account Bank and the Paying Agent, collectively, and "**Agent**" means any of them.

"**Aggregate Outstanding Loan Principal Amount**" means on the Cut-Off Date and on any Determination Date the aggregate of the Outstanding Loan Principal Amount of all Loan Receivables which are not Defaulted Loan Receivables.

"**Aggregate Outstanding Note Principal Amount**" means the aggregate of the Outstanding Note Principal Amount of a Class of Notes on a Payment Date (taking into account the principal redemption on such Payment Date).

"**AIFM Regulation**" means Regulation (EU) no. 231/2013, as amended, supplemented and/or replaced from time to time.

"**Arranger**" means UniCredit Bank.

"**Available Distribution Amount**" means, with respect to any Payment Date, the sum of:

(a) the Collections received in respect to the Collection Period ended immediately prior to such Payment Date;

(b) the amount standing to the credit of the General Reserve Account;

(c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; and

(d) any other amount standing to the credit of the Operating Account, including any interest accrued on the Operating Account (without including any Collections received in respect of the Collection Period started immediately prior to such Payment Date).

"**Balloon Loan Receivable**" means a Loan Receivable with a final mandatory balloon instalment which is a stand-alone arrangement not coupled with any obligation of the dealer.

"**Bank of Italy Supervisory Regulations**" means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt, London, Luxembourg, Rome, Dublin and Stuttgart and on which the TARGET2 is open for settlement of payments in euros.

"**Business Day Convention**" means that if any due date specified in a Transaction Document for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day (*Modified Following Business Day Convention*).

"**CA-CIB**" means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under, and governed by, the laws of France, whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex - France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304187701.

"**Calculation Agent**" means Elavon, any successor thereof or any other Person appointed as replacement calculation agent from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Calculation Date**" means in relation to each Collection Period the second Business Day preceding the relevant Payment Date.

"**Cancellation Date**" means the earlier of (i) the date on which the Notes are redeemed in full, (ii) the Legal Maturity Date and (iii) the date on which the Representative of the Noteholders on the basis of the information received from the Servicer has determined that there are no more Available Distribution Amount to be distributed as a result of no additional amount or asset relating to the Portfolio being available to the Issuer, at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes shall be finally and definitively cancelled, or, if any Noteholder objects such Representative of the Noteholders' determination for reasonably grounded reasons within 30 days from notice thereof, the date on which such determination in respect thereof is made by an independent third party in accordance with Condition 9.3.

"**Cash Allocation, Management and Payment Agreement**" means the cash allocation, management and payment agreement entered into on or about the Signing Date, between, *inter alios*, the Issuer, the Account Bank, the Paying Agent, the Calculation Agent and the Representative of the Noteholders, as amended and supplemented from time to time.

"**Class A Noteholder**" means any Holder of a Class A Note and "**Class A Noteholders**" means all of them.

"**Class A Notes**" means the €500,000,000 Class A Asset-Backed Floating Rate Notes due October 2030.

"**Class A Interest Amount**" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class A Notes on the preceding Payment Date and (ii) the Class A Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class A Notes.

"**Class A Interest Rate**" means the EURIBOR plus 0.53 per cent. *per annum*.

"**Class A Principal Redemption Amount**" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class A Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the Required Principal Redemption Amount on such Payment Date.

"**Class B Noteholder**" means any Holder of a Class B Note and "**Class B Noteholders**" means all of them.

"**Class B Notes**" means the € 58,665,000 Class B Asset-Backed Fixed Rate and Variable Return Notes due October 2030.

"**Class B Interest Amount**" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class B Notes on the preceding Payment Date and (ii) the Class B Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class B Notes.

"**Class B Interest Rate**" means 1 per cent. *per annum*.

"**Class B Principal Redemption Amount**" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

(a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class B Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and

(b) the difference of:

  (i) the Required Principal Redemption Amount on such Payment Date; and

  (ii) the Class A Principal Redemption Amount on such Payment Date.

"**Class of Notes**" means each of the Class A Notes and the Class B Notes.

"**Call Option**" means the option provided for by the Loan Receivables Purchase Agreement, according to which the Originator may repurchase from the Issuer all the outstanding Loan Receivables at the Repurchase Price from the Issuer, subject to and upon the terms and conditions provided thereunder.

"**Clearstream, Luxembourg**" means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and any successor thereto.

"**Clearing Systems**" means Clearstream, Luxembourg and Euroclear.

"**Collection Date**" means, with reference to each Collection and Recovery Collection, the date on which the relevant Collection or Recovery Collection, as the case may be, has been received and allocated.

"**Collection Period**" means each period (i) from but excluding the Cut-Off Date to and including the first Determination Date, and, (ii) thereafter from but excluding a Determination Date to and including the next following Determination Date.

"**Collections**" means for each Collection Period, all collections, including the Interest Collections, the Principal Collections and the Recovery Collections, received in respect of the Loan Receivables.

"**Common Terms**" means the common terms applicable to the Transaction Documents set out in the Incorporated Terms Memorandum.

"**Condition**" means a condition of the Terms and Conditions.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**CONSOB Resolution No. 20249**" means CONSOB Resolution No. 20249 of 28 December 2017 (*Regolamento recante norme di attuazione del decreto legislativo 24 febbraio 1998, n. 58 in materia di mercati*), amending and supplementing CONSOB Resolution No. 11768 of 23 December 1998 and CONSOB Resolution No. 16191 of 29 October 2007, as amended and supplemented from time to time.

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and implemented from time to time.

"**Consolidated Financial Act**" means Legislative Decree No. 58 of 24 February 1998, as subsequently amended and implemented from time to time.

"**Corporate Services Agreement**" means the corporate services agreement entered into on or about the Signing Date, between the Issuer and the Corporate Services Provider, as amended and supplemented from time to time.

"**Corporate Services Provider**" means Zenith Service, any successor thereof or any other Person appointed as replacement Corporate Services Provider from time to time in accordance with the Corporate Services Agreement.

"**Credit and Collection Policy**" means the policies, practices and procedures of the Servicer relating to the origination, servicing and collection of the Loan Receivables, as amended and supplemented from time to time.

"**Credit Support Annex**" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Swap Agreement.

"**CRA Regulation**" means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013.

"**CRR**" means Regulation (EU) no. 575/2013, as amended and/or supplemented from time to time.

"**Cut-Off Date**" means 31 May 2019.

"**Daimler**" means Daimler AG.

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 360.

"**DBRS**" means DBRS Ratings Limited or any successor to its rating business.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If a COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS (www.dbrs.com).

"**DBRS Equivalent Chart**" means:

<table>
<tr><td>DBRS</td><td>Moody's</td><td>S&P</td><td>Fitch</td></tr>
<tr><td>AAA</td><td>Aaa</td><td>AAA</td><td>AAA</td></tr>
<tr><td>AA(high)</td><td>Aa1</td><td>AA+</td><td>AA+</td></tr>
<tr><td>AA</td><td>Aa2</td><td>AA</td><td>AA</td></tr>
<tr><td>AA(low)</td><td>Aa3</td><td>AA-</td><td>AA-</td></tr>
<tr><td>A(high)</td><td>A1</td><td>A+</td><td>A+</td></tr>
<tr><td>A</td><td>A2</td><td>A</td><td>A</td></tr>
<tr><td>A(low)</td><td>A3</td><td>A-</td><td>A-</td></tr>
<tr><td>BBB(high)</td><td>Baa1</td><td>BBB+</td><td>BBB+</td></tr>
<tr><td>BBB</td><td>Baa2</td><td>BBB</td><td>BBB</td></tr>
<tr><td>BBB(low)</td><td>Baa3</td><td>BBB-</td><td>BBB-</td></tr>
<tr><td>BB(high)</td><td>Ba1</td><td>BB+</td><td>BB+</td></tr>
<tr><td>BB</td><td>Ba2</td><td>BB</td><td>BB</td></tr>
<tr><td>BB(low)</td><td>Ba3</td><td>BB-</td><td>BB-</td></tr>
<tr><td>B(high)</td><td>B1</td><td>B+</td><td>B+</td></tr>
<tr><td>B</td><td>B2</td><td>B</td><td>B</td></tr>
<tr><td>B(low)</td><td>B3</td><td>B-</td><td>B-</td></tr>
<tr><td>CCC(high)</td><td>Caa1</td><td>CCC+</td><td rowspan="5">CCC</td></tr>
<tr><td>CCC</td><td>Caa2</td><td>CCC</td></tr>
<tr><td>CCC(low)</td><td>Caa3</td><td>CCC-</td></tr>
<tr><td rowspan="2">CC</td><td rowspan="2">Ca</td><td>CC</td></tr>
<tr><td>C</td></tr>
<tr><td>D</td><td>C</td><td>D</td><td>D</td></tr>
</table>

"**DBRS Equivalent Rating**" means with respect to any issuer rating or senior unsecured debt rating (or other rating equivalent), (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) 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 Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree No. 239.

"**Decree No. 7**" means Italian Law Decree No. 7 of 31 January 2007, as amended and supplemented from time to time.

"**Decree No. 50**" means Italian Law Decree No. 50 of 24 April 2017, as amended and supplemented from time to time.

"**Decree No. 91**" means Italian Law Decree No. 91 of 24 June 2014, as amended and supplemented from time to time.

"**Decree No. 93**" means Italian Law Decree No. 93 of 27 May 2008, as amended and supplemented from time to time.

"**Decree No. 145**" means Italian Law Decree No.145 of 24 December 2013, as amended and supplemented from time to time.

"**Decree No. 213**" means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree No. 350**" means Italian Law Decree No. 350 of 25 September 2001, as amended and supplemented from time to time.

"**Decree No. 351**" means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

"**Decree No. 394**" means Italian Law Decree No. 394 of 29 December 2000, as amended and supplemented from time to time**.**

"**Decree No. 435**" means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

"**Decrees**" means Decree No. 91 and Decree No. 145, collectively.

"**Defaulted Loan Receivables**" means the Loan Receivables in respect of which:

(a) the Obligor is with more than six (6) (not necessarily consecutive) instalments in arrears, or, if earlier,

(b) the relevant Loan Agreement has been terminated and/or accelerated ("*decadenza del beneficio del termine*") or declared defaulted in accordance with the Credit and Collection Policy of the Servicer,

and "**Defaulted Loan Receivable**" means any of them.

"**Delinquent Instalment**" means an instalment due and not fully paid as of the relevant due date under the relevant Loan Agreement.

"**Delinquent Loan Receivables**" means the Loan Receivables in respect of which there is at least one Delinquent Instalment and which have not been classified as a Defaulted Receivables, and "**Delinquent Loan Receivable**" means any of them.

"**Determination Date**" means the last calendar day of each calendar month and the first Determination Date will be 30 June 2019.

"**Directive 2014/65/EU**" or "**MiFID II**" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended and supplemented from time to time.

"**Directive 2002/92/EC**" means Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002, as amended and supplemented from time to time.

"**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 EU

Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"**ECB**" means the European Central Bank.

"**ECB Guidelines**" means the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy for liquidity and/or open market transactions carried out with the ECB, as subsequently amended, supplemented and replaced from time to time.

"**ECOFIN**" means the EU Council of Economic and Finance Ministers.

"**EC Treaty**" means the Treaty on the Functioning of the European Union, originally named Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on the European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001), as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007).

"**Elavon**" means Elavon Financial Services DAC, a Designated Activity Company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland.

"**Eligibility Criteria**" means the eligibility criteria provided for by the Loan Receivables Purchase Agreement which shall be satisfied by all the Loan Receivables, as at the Cut-Off Date.

"**Eligible Swap Counterparty**" means with respect to the Swap Counterparty or any guarantor of the Swap Counterparty, respectively, any entity

(a) the long-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated by DBRS, or the DBRS Critical Obligations Rating of which is, at least (i) "A" or (ii) "BBB" and which posts collateral in the amount and manner set forth in the Swap Agreement; or which obtains a guarantee from a person the long-term unsecured, unguaranteed and unsubordinated debt obligations of which have the ratings set forth in (i) or (ii) above and, in the case of a rating required pursuant to (ii), posts collateral in the amount and manner set forth in the Swap Agreement; or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS, such debt obligations have at least a DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and

(b) whose counterparty risk assessment from Moody's is rated (i) "A3" or above or (ii) "Baa3" or above and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set forth in (b)(i) above.

"**EMU**" means the European Economic and Monetary Union introduced pursuant to the EC Treaty.

"**EONIA**" means Euro Over Night Index Average.

"**Enforcement Event**" means any of the following events:

(a) an Insolvency Event occurs in respect of the Issuer;

(b) in accordance with the Pre-enforcement Priority of Payments, a default occurs in the payment of interest on any Payment Date in respect of the Most Senior Class of Notes (and such default is not remedied within two (2) Business Days of its occurrence); or

(c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Representative of the Noteholders.

"**Enforcement Notice**" means the written notice served by the Representative of the Noteholders on the Issuer upon the occurrence of an Enforcement Event.

"**English Security Deed**" means the English law security deed of charge and assignment entered into between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors) on or about the Signing Date, as amended and supplemented from time to time.

"**English Transaction Documents**" means the Swap Agreement and the English Security Deed.

"**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.

"**EUR**" or "**Euro**" means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"**EURIBOR**" (Euro Interbank Offered Rate) means for the first Interest Period, commencing on the Issue Date, the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one week and (ii) the rate for deposits in Euro for a period of one month, both reference rates appearing on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying inter-bank offered rate quotations of major banks), and for any Interest Period commencing on the first Payment Date and thereafter, the rate for deposits in Euro for a period of one month, such reference rate shown on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01.

With respect to an Interest Determination Date for which EURIBOR does not appear on Reuters Page EURIBOR01 (or its successor page), EURIBOR will be determined on the basis of the rates at which deposits in EUR are offered by the Reference Banks at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The Paying Agent will request the principal Euro-zone office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotations. If fewer than two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Paying Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates quoted by major banks in the Euro-zone selected by the Paying Agent at approximately 11.00 a.m., Brussels time, on such Interest Determination Date for loans in EUR for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time to leading European banks.

If the Paying Agent is on any Interest Determination Date required but unable to determine EURIBOR for the relevant Interest Period, EURIBOR for such Interest Period shall be the EURIBOR as determined on the previous Interest Determination Date.

"**Euroclear**" means Euroclear Bank S.A./N.V. with registered office at 1 Boulevard du Roi Albert II, B - 1210 Brussels, Kingdom of Belgium, as operator of the Euroclear System and any successor thereto.

"**EU Insolvency Regulation**" means

(i) European Council Regulation (EC) No. 1346 of 29 May 2000 with reference to proceedings opened prior to 26 June 2017, and

(ii) European Council Regulation (EU) 848/2015, with reference to proceedings opened after 26 June 2017,

each as amended and supplemented from time to time.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the EC Treaty.

"**Financed Vehicle**" means any passenger car or commercial vehicle financed under a Loan Agreement.

"**Financial Laws Consolidated Act**" means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

"**Foreclosure Proceedings**" means, in respect of the Loan Receivables, any foreclosure proceeding by which the creditor of a Loan Receivable seeks payment of the outstanding amount of such Loan Receivable together with the relevant interest and expenses, pursuant to applicable law.

"**FSMA**" means the Financial Services and Markets Act 2000, as amended and supplemented from time to time.

"**Further Securitisation**" means any further securitisation which may be carried out by the Issuer pursuant to Law 130/99 and in accordance with the Terms and Conditions.

"**Fitch**" means Fitch Ratings Limited or any successor to its rating business.

"**GDPR**" means the General Data Protection Regulation adopted with Regulation (EU) 2016/679, as amended and supplemented from time to time.

"**General Reserve Account**" means the general reserve account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**General Reserve Required Amount**" means, in respect of any Payment Date:

(a) as long as the Aggregate Outstanding Loan Principal Amount is greater than zero on the Determination Date preceding such Payment Date, EUR 5,600,000; and

(b) otherwise, zero.

"**Germany**" means the Federal Republic of Germany.

"**Holder**" means the beneficial owner of a Note.

"**ICSD**" or "**International Central Securities Depositary**" means Clearstream Luxembourg or Euroclear, and "ICSDs" means both Clearstream Luxembourg and Euroclear collectively.

"**Incorporated Terms Memorandum**" means the incorporated terms memorandum entered into on or about the Signing Date, between each of the parties to the Transaction Documents, as amended and supplemented from time to time.

"**Inside Information Report**" means the report to be prepared and delivered by the Servicer pursuant to the Intercreditor Agreement upon the occurrence of any event triggering the existence of any inside information as provided for by points (f) and (g) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

"**Insolvent**" means a Person in respect of which an Insolvency Event occurs or an Insolvency Proceeding has been commenced, as the case may be.

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by it for the purposes of any Further Securitisation), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (expect a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation.

"**Insolvency Proceedings**" means any applicable proceeding of bankruptcy, liquidation, administration, insolvency, composition, reorganisation and over-indebtedness to which an Obligor may become subject, which has commenced and to which it is necessary to intervene.

"**Instalment**" means, in respect of the Loan Receivables, the Interest Instalments or the Principal Instalments.

"**Institutional Investor**" means any of the following:

(a) an insurance undertaking as defined in point (1) of article 13 of Directive 2009/138/EC;

(b) a reinsurance undertaking as defined in point (4) of article 13 of Directive 2009/138/EC;

(c) an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council (1) in accordance with

article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with article 5 of that Directive; or an investment manager or an authorised entity appointed by an institution for occupational retirement provision pursuant to article 32 of Directive (EU) 2016/2341;

(d) an alternative investment fund manager (AIFM) as defined in point (b) of article 4(1) of Directive 2011/61/EU that manages and/or markets alternative investment funds in the Union;

(e) an undertaking for the collective investment in transferable securities (UCITS) management company, as defined in point (b) of article 2(1) of Directive 2009/65/EC;

(f) an internally managed UCITS, which is an investment company authorised in accordance with Directive 2009/65/EC and which has not designated a management company authorised under that Directive for its management; and

(g) a credit institution as defined in point (1) of article 4(1) of Regulation (EU) No 575/2013 for the purposes of that Regulation or an investment firm as defined in point (2) of article 4(1) of that Regulation.

"**Insurance Company**" means any insurance company which has issued an Insurance Policy from time to time and "**Insurance Companies**" means all of them.

"**Insurance Indemnities**" means, in respect of any Vehicle, the insurance indemnities paid pursuant to any Insurance Policy relating to the relevant Vehicle and "**Insurance Indemnity**" means any of them.

"**Insurance Policies**" means the insurance policies entered into by the Originator or the Obligors, in relation to the Loan Agreements and "**Insurance Policy**" means any of them.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Signing Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

"**Interest Collections**" means the sum of all Collections under the Performing Loan Receivables other than the Principal Collections and the Recovery Collections during the relevant Collection Period.

"**Interest Determination Date**" means the second Business Day prior to the first day of the relevant Interest Period.

"**Interest Period**" means in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) such first Payment Date, and, in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.

"**Investment Company Act**" means the United States investment company act of 1940, as amended and supplemented from time to time.

"**IRAP**" means the regional tax on productive activities.

"**IRES**" means *imposta sul reddito delle società* applied on the corporate taxable income.

"**Irish Security Deed**" means the Irish law security deed of charge and assignment entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

"**ISDA Master Agreement**" means the ISDA 2002 Master Agreement (including the schedule and the Credit Support Annex thereto) dated on or about the Signing Date and made between the Issuer and the Swap Counterparty.

"**Issue Date**" means 3 July 2019.

"**Issuer**" means Silver Arrow Merfina 2019-1.

"**Issuer Accounts**" means the following Issuer's accounts opened on or before the Signing Date with the Account Bank:

(a) Operating Account;

(b) General Reserve Account; and

(c) Swap Collateral Account,

and "**Issuer Account**" means any of them.

"**Issuer's Rights**" mean the Issuer's rights under the Transaction Documents.

"**Italian Bankruptcy Law**" means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

"**Italian Deed of Pledge**" means the Italian law deed of pledge entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

"**Italian Transaction Documents**" means, the Terms and Conditions, the Subscription Agreements, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Loan Receivables Purchase Agreement, the Servicing Agreement, the Incorporated Terms Memorandum, the Subordinated Loan Agreement, the Corporate Services Agreement, the Letter of Undertakings, the Mandate Agreement, the Italian Deed of Pledge.

"**Italy**" means the Republic of Italy.

"**Joint Lead Managers and Joint Bookrunners**" means Société Générale and UniCredit Bank and **Joint Lead Manager and Joint Bookrunner**" means any of them.

"**Judicial Proceedings**" means any judicial proceedings for the collection of the Receivables and enforcement of the related Collateral Security.

"**Junior Noteholder**" means the holder of a Junior Note and Junior Noteholders means all of them.

"**Junior Notes**" means the Class B Notes.

"**Junior Notes Subscriber**" means MBFSI.

"**Junior Notes Subscription Agreement**" means the subscription agreement entered into on or about the Signing Date between the Issuer and the Junior Notes Subscriber, as amended and supplemented from time to time.

"**Law 130/99**" means Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

"**Law 3/2012**" means Law No. 3 of 27 January 2012, as amended and supplemented from time to time.

"**Law 52/91**" means Law No. 52 of 21 February 1991, as amended and supplemented from time to time.

"**Law No. 383**" means Law No. 383 of 18 October 2001, as amended and supplemented form time to time.

"**Legal Maturity Date**" means the Payment Date falling in October 2030.

"**Letter of Undertakings**" means the letter of undertakings entered into on or about the Signing Date, between the Issuer, the Sole Quotaholder and the Representative of the Noteholders, as amended and supplemented from time to time.

"**LBBW**" means Landesbank Baden-Württemberg, an institution under public law (*Anstalt des öffentlichen Rechts*) incorporated under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Stuttgart under registration number HRA 12704 and having its registered office at Am Hauptbahnhof 2, 70173 Stuttgart, Germany.

"**Loan Agreements**" means the loan agreements out of which the Loan Receivables arise entered into between the Originator, as lender and the Obligors in relation to the financing of Financed Vehicle(s), in particular, including in the form of standard business terms governing the Originator's relationship with the respective Obligor and "**Loan Agreement**" means any of them.

"**Loan Collateral**" means any (i) security interests in the respective Financed Vehicles securing the Loan Receivables, (ii) any Insurance Indemnities arising from the Insurance Policies relating to the Loan Receivables and (iii) any other security interests related to the Loan Receivables.

"**Loan Level Data**" means the loan level data setting out the information required by paragraph (a) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards to be prepared by the Servicer and delivered to the Reporting Entity, on a quarterly basis pursuant to the Servicing Agreement.

"**Loan Receivables**" means all the auto loan claims and rights arising under or otherwise related to the Loan Agreements sold by the Originator to the Issuer under the Loan Receivables Purchase Agreement and identified in the Offer List and "**Loan Receivable**" means any of them.

"**Loan Receivables Purchase Agreement**" means the loan receivables purchase agreement entered into on 14 June 2019 between the Originator and the Issuer, as amended and supplemented from time to time.

"**Loss**" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional adviser to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Stock Exchange**" means Société de la Bourse de Luxembourg.

"**Managers**" means CA-CIB and LBBW, and "**Manager**" means any of them.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders, as amended and supplemented from time to time.

"**Master Definitions Schedule**" means the master definitions schedule set out in the Incorporated Terms Memorandum.

"**Material Adverse Effect**" means in relation to any Person, any effect which results in, or could reasonably be expected to result in, such Person being Insolvent or otherwise hinders or could reasonably be expected to hinder not only temporarily, the performance of such Person's obligations under any of the Transaction Documents as and when due.

"**MBFSI**" means Mercedes-Benz Financial Services Italia S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Giulio Vincenzo Bona No. 110, 00156 Rome, Italy, share capital of Euro 216,700,000 (fully paid-up), registration with the Companies Register of Rome and Fiscal Code No 02828850582, VAT No. 01123081000, registered under No. 101 in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act.

"**MBI**" means Mercedes-Benz Italia S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Giulio Vincenzo Bona No. 110, 00156 Rome, Italy, share capital of Euro 238,000,000 (fully paid-up), registration with the Companies Register of Rome, Fiscal Code and VAT No. 06325761002.

"**Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

"**Monte Titoli**" means Monte Titoli S.p.A., with registered office at Via Mantegna No. 6, 20124 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by Euroclear and Clearstream.

"**Monthly Investor Report**" means the monthly investor report to be prepared by the Calculation Agent under the Cash Allocation, Management and Payment Agreement not later than each Calculation Date which will include, *inter alia*, information on the performance of the Portfolio and the payments under the Priority of Payments.

"**Monthly Report**" means the monthly report to be prepared by the Servicer under the Servicing Agreement not later than each Reporting Date, which will include, *inter alia*, information on the performance of the Portfolio and the information required to be provided by point (e) of article 7(1) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

"**Moody's**" means Moody's Investors Service Inc. and any successor to the debt rating business thereof.

"**Most Senior Class of Notes**" means the Class A Notes while they remain outstanding, thereafter the Class B Notes while they remain outstanding.

"**Net Swap Payments**" means the higher of (i) zero; and (ii) the difference of (x) the amounts due by the Issuer to the Swap Counterparty, other than Swap Termination Payments, and (y) the amounts due by the Swap Counterparty to the Issuer, other than Swap Termination Payments.

"**Net Swap Receipts**" means the higher of (i) zero; and (ii) the difference of (x) the amounts due by the Swap Counterparty to the Issuer, other than Swap Termination Payments, and (y) the amounts due by the Issuer to the Swap Counterparty, other than Swap Termination Payments.

"**Noteholders**" means the Holders of the Class A Notes and the Class B Notes collectively, and "**Noteholder**" means any of them.

"**Notes**" means the Class A Notes and the Class B Notes collectively, and "**Note**" means any of them.

"**Obligations**" means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Obligor**" means, in respect of the Loan Receivables, any Persons (including consumers and businesses) to whom the Originator has advanced an auto loan on the terms of the relevant Loan Agreement and "**Obligors**" means all of them.

"**Obligor Notification Event**" means the occurrence of a Servicer Termination Event.

"**Obligor Notification Event Notice**" means the notice to be sent to the Obligors of the Loan Receivable upon the occurrence of an Obligor Notification Event (and subsequent request by the Issuer) (i) notifying them that the Loan Receivables have been assigned by the Originator to the Issuer and (ii) instructing them to make payments to the Operating Account or any other account compliant with the Transaction Document.

"**Offer List**" means the data file identifying the Loan Receivables offered for sale and containing the information in respect of all such receivables and the relevant Loan Agreements set out in, and in the format of attached to the Loan Receivables Purchase Agreement.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means MBFSI.

"**Originator Loan Warranties**" means the representations and warranties given by the Originator in favour of the Issuer in respect of the Loan Receivables and of certain other matters, in each case, pursuant to the Loan Receivables Purchase Agreement and upon the terms and subject to the conditions set out thereunder.

"**Other Issuer Creditors**" means, collectively, the Originator, the Representative of the Noteholders, the Servicer, the Subordinated Lender, the Representative of the Noteholders, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Junior Notes Subscribers, the Account Bank, the Paying Agent, the Calculation Agent, the Corporate Services Provider, the Swap Counterparty, the Reporting Delegate and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and "**Other Issuer Creditor**" means any of them.

"**Operating Account**" means the operating account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation for the deposit of *inter alia,* the Collections received by the Issuer in accordance with the Servicing Agreement and certain other amounts due to the Issuer pursuant to the Transaction Documents (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**Outstanding Loan Principal Amount**" means with respect to a Loan Receivable on the Cut-Off Date or on any Determination Date, the amount of principal owed by the Obligor under such Loan Receivable.

"**Outstanding Note Principal Amount**" means with respect to any Payment Date, the principal amount of any Note (rounded, if necessary, to the nearest EUR 0.01, with EUR 0.005 being rounded upwards) equal to the initial principal amount of such Note (as at Issue Date) as, on or before such Payment Date, reduced by all amounts paid in respect of principal on such Note prior to or on such Payment Date.

"**Outstanding Subordinated Loan Principal Amount**" means with respect to any Payment Date, the principal amount of the Subordinated Loan equal to the initial principal amount of such Subordinated Loan as at the Issue Date as, on or before such Payment Date, reduced by the sum of the Subordinated Loan Redemption Amounts paid to the Subordinated Lender prior to such Payment Date.

"**Paying Agent**" means Elavon, any successor thereof or any other Person appointed as replacement paying agent from time to time in accordance with the Cash Allocation, Management and Payment Agreement.

"**Payments Account**" means the payments account opened on or before the Signing Date with the Paying Agent in the name of the latter, into which amounts will be transferred from the Operating Account and the General Reserve Account, in order to fund the payments of the Issuer due on each Payment Date under the applicable Priority of Payments or any successor account.

"**Payment Date**" means, in respect of the first Payment Date, 22 July 2019 and, thereafter, the 20th day of each calendar month, subject to the Business Day Convention.

"**PCS**" means Prime Collateralised Securities (PCS) UK Limited.

"**Performing Loan Receivable**" means a Loan Receivable that is neither a Defaulted Loan Receivable, nor a Delinquent Loan Receivable in respect of which all instalments have been paid.

"**Person**" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"**Portfolio**" means at any time, all the Loan Receivables.

"**Portfolio Information**" means a file of information sent by the Originator and/or the Servicer to the Issuer, including the names and addresses of the Obligors (in an encrypted form) as well as the non-encrypted and non-personal information in respect of the offered Loan Receivables and/or Loan Receivables as set out in the Loan Receivables Purchase Agreement.

"**Post-enforcement Priority of Payments**" means, the order of priority in which the Available Distribution Amount shall be applied by the Representative of the Noteholders on each Payment Date after the service of an Enforcement Notice, in accordance with the priority of payments set out in Condition 6.2 (*Priority of Payments – Post-enforcement Priority of Payments*).

"**Pre-enforcement Priority of Payments**" means, the order of priority in which the Available Distribution Amount shall be applied by the Issuer on each Payment Date prior to the service of an Enforcement Notice, in accordance with the priority of payments set out in Condition 6.1 *(Priority of Payments – Pre-enforcement Priority of Payments)*.

"**Principal Collections**" means the sum of (i) all collections of principal under the Performing Loan Receivables that have been paid during the Collection Period, (ii) all collections of principal under the Performing Loan Receivables that have been prepaid during the Collection Period, excluding Recovery Collections received by the Servicer during the Collection Period and (iii) the Repurchase Price relating to the Collection Period.

"**Priority of Payments**" means either the Pre-enforcement Priority of Payments or the Post-enforcement Priority of Payments (as applicable).

"**Privacy Law**" means the Legislative Decree No. 196 of 30 June 2003, as amended and supplemented from time to time.

"**Privacy Legislation**" means any legislation applicable on data protection, including the GDPR, the Privacy Law and the national legislation implementing the GDPR adopted pursuant to the legislative delegation provided by article 13 of Law No. 163 of 25 October 2017.

"**Prospectus**" means this prospectus dated on or about the Signing Date prepared in connection with the Securitisation and issue by the Issuer of the Notes.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended by Directive 2010/73/EU, and includes, where the context requires, Commission Regulation (EC) No. 809/2004 and any relevant implementing measure in each relevant Member State of the European Economic Area.

"**Purchase Date**" means 14 June 2019.

"**Purchase Price**" the purchase price of EUR 558,664,867.76 payable by the Issuer to the Originator in respect of the Loan Receivables and being equal to the Aggregate Outstanding Loan Principal Amount of the Loan Receivables as of the Cut-Off Date.

"**Put Option**" means the option provided for by the Loan Receivables Purchase Agreement, according to which the Issuer may sell to the Originator any Loan Receivables which will prove not to satisfy the Eligibility Criteria as of the Cut-Off Date and any Loan Receivables in respect of which any of the Originator Loan Warranties will prove to be false, incomplete, inaccurate or incorrect in any material respect as of the Purchase Date, subject to and upon the terms and conditions provided thereunder.

"**Qualified Investor**" means any of the following:

(i) entities which are required to be authorised or regulated to operate in the financial markets such as:

  (a) credit institutions;

  (b) investment firms;

  (c) other authorised or regulated financial institutions;

  (d) insurance companies;

  (e) collective investment schemes and management companies of such schemes;

  (f) pension funds and management companies of such funds;

  (g) commodity and commodity derivatives dealers;

  (h) locals;

  (i) other institutional investors; or

(ii) large undertakings meeting two of the following size requirements on a company basis:

  (a) balance sheet total equal to or greater than EUR 20,000,000

  (b) net turnover equal to or greater than EUR 40,000,000

  (c) own funds equal to or greater than EUR 2,000,000; or

(iii) national and regional governments, including public bodies that manage public debt at national or regional level, central banks, international and supranational institutions such

as the World Bank, the IMF, the ECB, the EIB and other similar international organisations; or

(iv) other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

"**Quota Capital Account**" means the Euro denominated account opened by the Issuer for the deposit of the Issuer's quota capital equal to EUR 10,000.

"**Rating Agencies**" means DBRS and Moody's.

"**Receivables Expected Maturity Date**" means 31 December 2028.

"**Recovery Collections**" means all amounts received by the Servicer during the relevant Collection Period in respect of, or in connection with, any Loan Receivable after the date such Loan Receivable became a Defaulted Loan Receivable (provided that such Defaulted Loan Receivable has not been written off in total) including, for the avoidance of doubt, Principal, Interest, damages, and any other payment, by or for the account of the relevant Obligor minus all out of pocket expenses paid to third parties and incurred by the Servicer in connection with the collection of the Defaulted Loan Receivable or the enforcement of the related Loan Collateral in line with the Credit and Collection Policy of the Servicer.

"**Reference Banks**" means four major banks in the Euro-zone interbank market selected by the Issuer.

"**Regulation (EU) 462/2013**" means Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009, as amended and supplemented from time to time.

"**Regulation (EU) 1286/2014**" means Regulation (EU) No 1286/2014 of the of the European Parliament and of the Council of 26 November 2014, as amended and supplemented from time to time.

"**Regulation (EU) 2016/1011**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, 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 and entered into force in the European Union, (ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Representative of the Noteholders**" means Zenith Service, any successor thereof or any other Person appointed as replacement representative of the noteholders from time to time in accordance with the Intercreditor Agreement, the Mandate Agreement and the Subscription Agreement.

"**Reporting Date**" means the 4th Business Day preceding the relevant Payment Date.

"**Repurchase Date**" means the date which falls on a Payment Date on which a Loan Receivable is repurchased by the Originator.

"**Reportin**g **Entity**" means the Originator.

"**Repurchase Price**" means the repurchase price to be paid by the Originator to the Issuer in respect of the relevant Loan Receivables to be repurchased on a Repurchase Date, which is equal to the sum of the Outstanding Loan Principal Amounts of such Loan Receivables.

"**Required Principal Redemption Amount**" means prior to the issuance of an Enforcement Notice in respect of any Payment Date, a difference of:

(a) the Aggregate Outstanding Note Principal Amount of all Class A and all Class B Notes on the Payment Date immediately preceding such Payment Date; and

(b) the Aggregate Outstanding Loan Principal Amount of the Loan Receivables on the Determination Date immediately preceding such Payment Date.

"**Required Rating**" means with respect to the Account Bank or any guarantor of the Account Bank, respectively, (i) by Moody's: a short-term rating of "P-1" or a long-term rating of "A2" from Moody's, and (ii) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" or a DBRS Critical Obligations Rating of "A(high)" (or, if its long-term debt rating is not publicly rated by DBRS, but is rated by at least any one of Fitch, Moody's and S&P, the DBRS Equivalent Rating with respect to its long-term debt obligations) from DBRS.

"**Rules of the Organisation of the Noteholders**" means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**S&P**" and "**Standard and Poor's**" means Standard and Poor's Credit Market Services Europe Limited, a subsidiary of the McGraw-Hill Companies, Inc. and any successor to the debt rating business thereof.

"**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; (c) the European Union or (d) the United Kingdom.

"**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).

"**Secured Obligations**" means all of the Issuer's obligations *vis-à-vis* the Secured Parties under the Notes and the Transaction Documents;

"**Secured Parties**" means the Noteholders and the Other Issuer Creditors.

"**Securitisation**" means the securitisation transaction carried out by the Issuer involving the securitisation of the Loan Receivables and the issue of the Notes pursuant to Law 130/99.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

"**Security**" means the security interests created under the Security Documents.

"**Security Deeds**" means the English Security Deed and the Irish Security Deed, collectively.

"**Security Documents**" means the Italian Deed of Pledge, the Security Deeds and any other deed or agreement entered into by the Issuer from time to time, whereby security is granted to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

"**Security Interest**" means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Securitisation Regulation**" means 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.

"**Senior Notes Subscription Agreement**" means the subscription agreement entered into by the Issuer, the Originator, the Joint Lead Managers and Joint Bookrunners, the Managers and the Representative of the Noteholders on or about the Signing Date in relation to the Senior Notes, as amended and supplemented from time to time.

"**Servicer**" means MBFSI, any successor thereof or any other Person appointed as replacement servicer from time to time in accordance with the Servicing Agreement.

"**Servicer Shortfall**" means a shortfall in respect of payments of Collections due and payable by the Servicer to the Issuer pursuant to the terms of the Servicing Agreement.

"**Servicer Termination Event**" means the occurrence of any of the following events:

(a) the Originator or the Servicer is Insolvent;

(b) the Originator or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction Document within five (5) Business Days of the date such payment or deposit is required to be made;

(c) the Originator or the Servicer fails to perform any of its material obligations under the Loan Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Representative of the Noteholders; or

(d) any representation or warranty in the Loan Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Originator or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Representative of the Noteholders and has a Material Adverse Effect in relation to the Issuer

"**Servicing Agreement**" means the servicing agreement entered into on 14 June 2019 between the Issuer and the Servicer, as amended and supplemented from time to time.

"**Servicing Fee**" means the fees to be paid by the Issuer to the Servicer in accordance with the Servicing Agreement.

"**Signing Date**" means 1 July 2019.

"**Silver Arrow Merfina 2019-1**" means Silver Arrow Merfina 2019-1 S.r.l., a vehicle company incorporated in Italy pursuant to Law 130/99 with the legal form of a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*), whose registered office is at Via Vittorio Betteloni No. 2, 20131, Milan, Italy quota capital of Euro 10,000 (fully paid-up), registration with the Companies Register of Milan – Monza – Brianza – Lodi, Fiscal Code and VAT No. 10705930963, registered with the register of the vehicle companies held by the Bank of Italy pursuant to the Bank of Italy's regulation of 7 June 2017, having as its sole corporate object the carrying out of transactions pursuant to article 3 of Law 130/99.

"**Société Générale**" means Société Générale S.A., a *société anonyme* incorporated under the laws of the Republic of France, registered in the Paris Trade Register under registration no. 552 120 222 with its registered office at 29 Boulevard Haussmann, 75009 Paris, Republic of France,

acting through its London branch and namely, its Société Générale Corporate and Investment Bank department, at SG House, 41 Tower Hill, London EC3N 4SG, United Kingdom.

"**Sole Quotaholder**" means 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.

"**Solvency II Regulation**" means Regulation (EU) no. 35/2015, as amended and/or supplemented from time to time.

"**STS Notification**" means the notification made by the Originator to ESMA in accordance with article 27 of the Securitisation Regulation explaining how the Securitisation meets the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardised non-ABCP securitisations provided for by articles 19 to 22 of the Securitisation Regulation.

"**STS-securitisation**" means a securitisation meeting the requirements of articles 19 to 22 of the Securitisation Regulation.

"**Subordinated Lender**" means MBFSI, any successor thereof or any other Person appointed as replacement subordinated lender from time to time in accordance with the Subordinated Loan Agreement.

"**Subordinated Loan**" means the subordinated loan granted on or before the Issue Date by the Subordinated Lender to the Issuer in an amount of EUR 5,600,000 the proceeds of which have been used to fund the initial endowment of the General Reserve Account.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on or about the Signing Date, between the Issuer and the Subordinated Lender, as amended and supplemented from time to time.

"**Subordinated Loan Redemption Amount**" means,

(i) on any Payment Date, the difference of

  (a) the General Reserve Required Amount on the previous Payment Date; and

  (b) the General Reserve Required Amount on the current Payment Date.

(ii) on the Cancellation Date, the outstanding amount of the Subordinated Loan.

"**Subscribers**" means the Joint Lead Managers and Joint Bookrunners, the Managers and the Junior Notes Subscriber, collectively and "**Subscriber**" means each of them.

"**Subscription Agreements**" means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, collectively, and "**Subscription Agreement**" means any of them.

"**Successor Servicer**" means the entity appointed as successor servicer pursuant to the Servicing Agreement in the event the appointment of the Servicer is terminated for any reasons.

"**Supervisory Regulations for the Banks**" means (i) the "*Istruzioni di Vigilanza per le banche*" issued by the Bank of Italy by Circular No. 229 of 21 April 1999; and (ii) the "*Nuove disposizioni di vigilanza prudenziale per le banche*" issued by the Bank of Italy through Circular No. 263 of 27 December 2006, in each case, as amended and supplemented from time to time, including pursuant to the Regulation (EU) No. 575/2013 and Directive 2013/36/EU (the so-called CRR and

CRD IV) and circular No. 285 of 17 December 2013.

"**Supervisory Regulations for Financial Intermediaries**" means the "*Istruzioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy through Circular No. 288 of 3 April 2015, as amended and supplemented from time to time.

"**Swap Agreement**" means the swap agreement, entered into on or about the Signing Date between the Issuer and the Swap Counterparty pursuant to the ISDA 2002 Master Agreement, a rating compliant schedule, a related Credit Support Annex and a confirmation, as amended and supplemented from time to time.

"**Swap Collateral Account**" means the swap collateral account in the name of the Issuer opened on or before the Signing Date with the Account Bank in respect of the Securitisation (with account details as set out in the Incorporated Terms Memorandum) or any successor account.

"**Swap Counterparty**" means CA-CIB, any successor thereof or any other Person appointed as replacement swap counterparty from time to time in accordance with the Swap Agreement.

"**Swap Notional Amount**" means on any Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the previous Payment Date or, in the case of the first Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Notes as of the Issue Date.

"**Swap Termination Payment**" means any amounts due by the Issuer or the Swap Counterparty under the Swap Agreement following a close out netting under Section 6(e) of the ISDA Master Agreement.

"**TARGET2**" means the second generation of the Trans-European Automated Real-time Gross-Settlement Express Transfer System which was launched on 19 November 2007 by the European Central Bank.

"**Terms and Conditions**" means the terms and conditions of the Notes.

"**Transaction Documents**" means the Italian Transaction Documents, the English Transaction Documents and the Irish Security Deed.

"**UCITS Directive**" means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as lastly amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions.

"**UniCredit Bank**" means UniCredit Bank AG, a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares *(Aktiengesellschaft)*, registered with the Commercial Register of the Court of Munich with No. HRB42148, belonging to the UniCredit Banking Group, registered with Code 2008.1 with the Register of the Banking Groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act and having its head office at Kardinal-Faulhaber-Strasse 1, D-80333 Munich, Federal Republic of Germany.

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**United States**" means, for the purpose of the Securitisation, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"**U.S. Person**" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**Usury Law**" means Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*"), as amended and supplemented from time to time.

"**Variable Return**" means, in relation to the Junior Notes, on each Payment Date, an amount (if any) equal to any residual Available Distribution Amount after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes in accordance with the applicable Priority of Payments.

"**VAT**" means value added tax and any other tax of a similar fiscal nature (instead of or in addition to value added tax) whether imposed in Italy or elsewhere.

"**Zenith Service**" means Zenith Service S.p.A., a company incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), whose registered office is at Via Vittorio Betteloni No. 2, 20131 Milan, Italy, share capital of Euro 2.000.000 (fully paid-up), Fiscal Code and enrolment with the Companies Register of Milan – Monza – Brianza – Lodi, No. 02200990980, registered in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under No. 30, ABI Code 32590.2.

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