

# **STS Term Verification Checklist**

**AUTO ABS ITALIAN STELLA LOANS S.r.l.**

**Series 2025-1**



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

29 May 2025

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This is the STS Term Verification Checklist for STS Term Verifications.

This STS Term Verification Checklist must be read together with the PCS Procedures Manual. This document is based upon the materials received by PCS as at the date of this document. Any references in this document are to the Prospectus unless otherwise stated.

PCS comments in this STS Term Verification Checklist are based on PCS' interpretation of the STS Regulation informed by (a) the text of the STS Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the STS Regulation (the "EBA Guidelines") and (c) any relevant national competent authorities' interpretation of the STS criteria to the extent known to PCS.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

**29 May 2025**

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## PRIME COLLATERALISED SECURITIES (PCS) – STS Verification

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	29 May 2025
The transaction to be verified (the “Transaction”)	Auto ABS Italian Stella Loans S.r.l. – Series 2025-1
Issuer	Auto ABS Italian Stella Loans S.r.l.
Originator	Stellantis Financial Services Italia S.p.A.
Joint Lead Managers	Banco Santander S.A.; BofA Securities S.A.; Crédit Industriel et Commercial
Transaction Legal Counsel	Jones Day
Rating Agencies	Fitch and Morningstar DBRS
Stock Exchange	Luxembourg Stock Exchange
Closing Date	29 May 2025

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

Within the checklist, the relevant legislative text is set out in blue introductory boxes with specific criteria for our verification listed underneath.

Article	Summary of Article Contents	PCS Verified	
Article 20 – Simplicity			
20(1)	<a href="#">True sale</a>	1	✓
20(2-4)	<a href="#">Severe clawback</a>	2	✓
20(4)	<a href="#">True sale with intermediate steps</a>	3	✓
20(5)	<a href="#">Assignment perfection</a>	4	✓
20(6)	<a href="#">Encumbrances to enforceability of true sale</a>	5	✓
20(7)	<a href="#">Eligibility criteria, active portfolio management, and exposure transferred after closing</a>	6 - 8	✓
20(8)	<a href="#">Homogeneity, enforceability, full recourse, periodic payment streams, no transferable securities</a>	9 - 14	✓
20(9)	<a href="#">No securitisation positions</a>	15	✓
20(10)	<a href="#">Origination, underwriting standards, unverified residential loans, assessment of creditworthiness, originator expertise</a>	16 - 21	✓
20(11)	<a href="#">No undue delay after selection, no exposures in default or to credit-impaired or insolvent debtors/guarantors, portion of restructured debtors, adverse credit history, higher pool risk</a>	22 - 30	✓
20(12)	<a href="#">At least one payment made</a>	31	✓
20(13)	<a href="#">No predominant dependence on the sale of asset</a>	32	✓
Article 21 – Standardisation			
21(1)	<a href="#">Risk retention</a>	33	✓
21(2)	<a href="#">Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards</a>	34 - 39	✓
21(3)	<a href="#">Referenced interest payments</a>	40	✓
21(4)	<a href="#">Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation</a>	41 - 44	✓
21(5)	<a href="#">Non-sequential priority of payments</a>	45	✓
21(6)	<a href="#">Early amortisation provisions/triggers for termination of revolving period</a>	46 - 49	✓
21(7)	<a href="#">Duties, responsibilities, and replacement of transaction parties</a>	50 - 52	✓
21(8)	<a href="#">Expertise of the servicer</a>	53 - 54	✓
21(9)	<a href="#">Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report</a>	55 - 59	✓
21(10)	<a href="#">Resolution of investor conflicts and fiduciary party responsibilities and duties</a>	60 - 61	✓
Articles 22 and 7 – Transparency			
22(1)	<a href="#">Historical asset data</a>	62 - 64	✓
22(2)	<a href="#">AUP/asset verification</a>	65 - 66	✓
22(3)	<a href="#">Liability cashflow model</a>	67 - 68	✓
22(4)	<a href="#">Environmental performance of asset</a>	69	✓
22(5)	<a href="#">Responsibility for article 7, information disclosure before pricing and 15 days after closing</a>	70 - 73	✓
7(1)	<a href="#">Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, simultaneous, without delay</a>	74 - 83	✓
7(2)	<a href="#">Transparency requirements: securitisation repository, designation of responsible entity</a>	84 - 85	✓

**Article 20.1.** The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

1

**STS Criteria**

1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.

**Verified?****YES****PCS Comments**

In this transaction, the rights, title and interests to the assets are assigned and transferred without recourse (*pro soluto*) by an Italian bank to an Italian SSPE.

See statement on cover page:

<<The principal source of payment of interest or Variable Return (as applicable) and repayment of principal on the Notes will be from Collections and Recoveries made in respect of the Receivables arising from Auto Loan Contracts (contratti di finanziamento per l'acquisto di autoveicoli), originated and classified as performing by Stellantis Financial Services Italia S.p.A. (SFS Italia), as at the relevant Selection Date and Purchase Date. The Receivables have been and will be purchased by the Issuer without recourse (*pro soluto*) in accordance with the terms of the Master Receivables Transfer Agreement. The Initial Portfolio has been assigned without recourse (*pro soluto*) by the Seller to the Issuer on the First Purchase Date, pursuant to the combined provisions of Articles 1 and 4 of the Securitisation Law and the Articles of the Italian Factoring Law referred to therein. In addition, pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, during the Revolving Period the Seller may assign without recourse (*pro soluto*) to the Issuer, which may purchase, pursuant to the combined provisions of Articles 1 and 4 of the Securitisation Law and the Articles of the Italian Factoring Law referred to therein, Additional Portfolios, provided that the Contracts Eligibility Criteria, the Receivables Eligibility Criteria and the Global Portfolio Limits are met and no Amortisation Event has occurred. (...)>>.

See also the sections headed "The Aggregate Portfolio" and "Description of the Transaction Documents – 1. Master Receivables Transfer Agreement".

PCS has been provided with and has reviewed a draft of the Italian law legal opinion to be issued by the transaction legal counsel. Confirmation of true sale aspects, i.e. enforceability of assignment, an assessment of the re-characterisation and claw-back risks, are made in the Legal Opinion.

At its origin, "true sale" was not a legal concept but a rating agency creation.

The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".

This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.

All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur.

The Regulation (20.3) also explicitly excludes from the definition of “severe clawback” the traditional European basis for such devices which all come under the general category of “preferences”.

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis.

Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of “severe clawback”:

- Clawback requires an unfair preference “defrauding” creditors;
- Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.

Since “severe clawback” is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Originator’s jurisdiction for the purposes of insolvency law. This would be its centre of main interest (“**COMI**”) or its “home member state”.

The second step would be to determine whether the relevant COMI and/or “home member state” contains severe claw back provisions in its insolvency legislation.

Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

The Originator is incorporated in Italy and it is authorised as a bank to operate in Italy, as confirmed through a search with the Bank of Italy’s website that PCS has separately made.

See also the description of the Originator contained in Section “THE SELLER, THE SERVICER, THE CASH MANAGER AND THE JUNIOR NOTES SUBSCRIBER”, including the following statements:

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

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

See also the following statement in the Recitals of the Master Receivables Transfer Agreement (“**MRTA**”):

*<<(A) SFS Italia is a bank whose main activity consists of granting Auto Loans within the territory of the Republic of Italy.>>.*

See also the following statement in “THE SELLER, THE SERVICER, THE CASH MANAGER AND THE JUNIOR NOTES SUBSCRIBER”:

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

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

The Republic of Italy does not contemplate severe clawback provisions for securitisation transactions. It is noted, however, that in a future insolvency scenario /resolution procedure involving the Originator and/or the group to which it belongs, although its home member state is in Italy, it cannot be excluded that insolvency laws of other jurisdictions (e.g. France) may become applicable to an insolvency procedure affecting SFS Italia. In this respect, PCS believes that, in such case, however, the prospect that such laws would be recognised as applicable to a possible claw-back action aimed at the recovery of the Receivables back from the Issuer is remote, particularly due to the strength of the true sale assignment and to the segregation of the Receivables operated by the combined provisions of the Italian securitisation law and Italian factoring law.

In this respect, we also note the statement in risk factor "Risk of claw back":

*<<Assignments of receivables made under the Securitisation Law are subject to claw-back (revocatoria fallimentare) (i) pursuant to Article 166, paragraph 1, letter a), of the Italian Insolvency Code, if the petition followed by the opening of the judicial liquidation (liquidazione giudiziale) of the relevant seller is filed within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the purchaser is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to Article 166, paragraph 2, of the Italian Insolvency Code, if the petition followed by the opening of the judicial liquidation (liquidazione giudiziale) of the relevant seller is filed within 3 (three) months from the purchase by the purchaser of the relevant portfolio of receivables, and the insolvency receiver of such seller is able to demonstrate that the purchaser was aware or ought to be aware of the insolvency of the seller. (...)>>.*

Italian insolvency laws provide for clawback in relation to acts made in the suspect period, provided that also other circumstances occur, such as undue preference or transactions at an undervalue, and may require the insolvency officer to prove that case. Therefore, and as generally outlined in the Italian legal opinion and the Prospectus, the transfer of the Receivables is not, in our view, subject to "severe clawback".

The Legal Opinion provides comfort on the true sale aspects related to the sale of the Initial Portfolio and each Additional Portfolios.

**Article 20.1** (...) The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

**Article 20.2** For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions:

(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency;

(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.

**Article 20.3.** For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.

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**STS Criteria**

2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

**Verified?****YES****PCS Comments**

COMI and home member state of the Originator is Italy (see point 1 above).

See Prospectus Section on "Risk Factors", particularly:



## &lt;&lt;Risk of claw back

Assignments of receivables made under the Securitisation Law are subject to claw-back (revocatoria fallimentare) (i) pursuant to Article 166, paragraph 1, letter a), of the Italian Insolvency Code, if the petition followed by the opening of the judicial liquidation (liquidazione giudiziale) of the relevant seller is filed within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the purchaser is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to Article 166, paragraph 2, of the Italian Insolvency Code, if the petition followed by the opening of the judicial liquidation (liquidazione giudiziale) of the relevant seller is filed within 3 (three) months from the purchase by the purchaser of the relevant portfolio of receivables, and the insolvency receiver of such seller is able to demonstrate that the purchaser was aware or ought to be aware of the insolvency of the seller.

In such respect, pursuant to the Master Receivables Transfer Agreement the Seller must deliver to the Issuer certain standard solvency certificates on a quarterly basis as a condition precedent of the Portfolios' assignments made thereunder. (...)>>.

PCS reached comfort that the Republic of Italy does not contemplate a severe claw-back for the transfer of receivables in the context of securitisation transactions.

**Article 20.4.** Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

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**STS Criteria**

3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

**Verified?**  
**YES**

**PCS Comments**

The Receivables have been exclusively originated by SFS Italia as lender.

In this respect PCS notes the following provision in the Contracts Eligibility Criteria, set out in Schedule 3/1 of the MRTA:

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

The following statement in the Prospectus is also noted:

<<A portion of the Initial Portfolio having an Outstanding Principal of approximately Euro (...) will be made out of auto loans receivables originated by SFS Italia which meet the Eligibility Criteria as at the First Selection Date and the First Purchase Date and have been (i) already securitised under a previous securitisation transaction carried out by Auto ABS Italian Rainbow Loans S.r.l. through the issuance of 174,183,408 Class A Asset Backed Fixed Rate Notes due June 2038 and Euro 32,000,000 Class Z Asset Backed Fixed Rate and Variable Return Notes due June 2038, which has been unwound, and (ii) thereafter, repurchased by SFS Italia in connection with such unwinding.>>.

PCS received due diligence material confirming the absence of residual rights of third parties over these receivables.

In the light of the above, PCS is satisfied that this requirement is met.

**Article 20.5.** Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller's default.

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**STS Criteria**

4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller's default.

**Verified?**  
**YES**

**PCS Comments**

Article 20.5 does not apply as the transfer is perfected.

Criterion 4 requires two steps:

- To determine whether the transfer of the assets is by means of an unperfected assignment; and
- If it is, whether the transaction contains the requisite triggers.

The Prospectus and the Legal Opinion confirm that, before the Issue Date, the publication of the Notice of assignment of the Initial Portfolio on the Italian Official Gazette has been made in respect of the Initial Portfolio, as confirmed in the following statement in the Section headed "1. MASTER RECEIVABLES TRANSFER AGREEMENT":

<<Acceptance of the Transfer Offers and assignment of Receivables

*(...) Under the Master Receivables Transfer Agreement, the parties thereto have agreed that the assignment and transfer of each Portfolio under the Master Receivables Transfer Agreement will be made in accordance with the combined provisions of Articles 1 and 4 of the Securitisation Law and the Articles of the Italian Factoring Law referred to therein. In particular:*

*(a) the assignment and transfer of the Initial Portfolio will be made pursuant to Article 4 of the Securitisation Law and the Articles of the Italian Factoring Law referred to therein not "in block", by publishing a notice thereof on the Official Gazette of the Republic of Italy indicating the names of the seller (i.e. SFS Italia) and of the purchaser (i.e. the Issuer), as well as the date of the assignment and transfer thereof; and*

*(b) the assignment and transfer of each Additional Portfolio will be made pursuant to Article 5, paragraphs 1, 1-bis and 2 of the Italian Factoring Law.*

*For the purposes of Article 4, paragraph 1, of the Securitisation Law and the Articles of the Italian Factoring Law referred to therein, the parties to the Master Receivables Transfer Agreement have expressly confirmed that upon performance of the following actions (the Transfer Formalities):*

*(a) with regards to the Receivables comprised in the Initial Portfolio, the publication of the Official Gazette Notice of Assignment (as defined below) and the registration of the assignment of the Initial Portfolio in the competent companies' register; and*

*(b) with regards to the Receivables comprised in each Additional Portfolio, the payment to the Seller, in whole or in part, of the relevant Individual Purchase Price in accordance with the provisions of the Italian Factoring Law,*

*the assignment and transfer of the relevant Receivable from the Seller to the Issuer will become enforceable (opponibile) against:*

*(a) any prior assignees of such Receivable, who have not perfected its/their assignment by way of (A) notifying the relevant Debtor or (B) making the relevant Debtor acknowledge the assignment by an acceptance bearing a date certain at law (data certa) or in any other way permitted by applicable law, in each case prior to the date of the performance of the applicable Transfer Formalities;*

*(b) a receiver in the insolvency of the Seller, to the extent that such state of insolvency has been declared after the date of the performance of the applicable Transfer Formalities; and*

*(c) any creditors of the Seller who have not commenced enforcement by means of obtaining an attachment order (pignoramento) in respect of the relevant Receivable prior to the date of the performance of the applicable Transfer Formalities.>>.*

Furthermore, it is also stated that:

<<Notice to the Obligors

*The Seller has undertaken under the Master Receivables Transfer Agreement to provide also for the purposes of Article 1264 of the Italian Civil Code, each Obligor with a notice of assignment at the time of the first communication related to each purchased Receivable which will be sent to the relevant Obligor (containing also any relevant information to be given to the Obligor in compliance with the provisions of Italian Privacy Law and the GDPR), this communication, with reference to the relevant Debtor, being a "Comunicazione periodica alla clientela", pursuant to Article 119 of the Italian Banking Act. For such purpose and in order to ensure the compliance with the provisions of Article 119 of the Italian Banking Act, the Seller shall send a notice of assignment to each relevant Debtor, to each Car Dealer and to each Car Manufacturer, by using a specific form for each respective category of Obligors listed above.>>.*

Based on the above, PCS has reached sufficient comfort that pursuant to Italian law, a direct individual notification to the obligors of the assignment of the Receivables to the Issuer is not necessary in order to perfect the transfer of the legal title to such Receivables from the Originator to the Issuer.

Although the transfer is not immediately notified to the Borrowers, the Italian legal opinion and Prospectus confirm that such notification is not required to fully perfect the transfer of ownership in the Receivables to the SSPE. In particular, although a communication to the Borrowers is required to comply with certain Italian regulatory requirements, the failure to provide it before closing would not affect the validity and effectiveness between the Originator and the Issuer of the transfers of any Receivable under the Master Receivables Purchase Agreement, nor their enforceability against any third party.

In particular, both the Initial Portfolio and each Additional Portfolio will be assigned in accordance with the Italian Securitisation Law and the combined provisions of the Italian Factoring Law (see Clause 6.2 (*Transfer Formalities*) of the MRTA) and enforceability vis-à-vis third parties will be obtained through the publication of a notice on the Italian Official Gazette and registration of a notice with the companies register or by means of the payment of the relevant purchase price (see Clauses 6.2(b), 8.3 and 8.5 of the MRTA).

Accordingly, this transaction does not operate by way of an unperfected assignment and specific triggers are not required.

**Article 20.6.** The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation 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.

5	<p><b>STS Criteria</b></p> <p>5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation 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.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the following requirement in the Receivables Eligibility Criteria, set out in “THE AGGREGATE PORTFOLIO” and, on similar terms, in Schedule 3/2 of the MRTA:</p> <p><i>&lt;&lt;(g) the Seller has full title to the Receivable and the Ancillary Rights and the Receivable and its Ancillary Rights are not subject, either totally or partially, to assignment, delegation or pledge, attachment, claim, set-off rights or encumbrance of whatever type such that there is no obstacle to the assignment of the Receivable and its Ancillary Rights and there is no restriction on the assignability of the Receivable (including, but not limited to, (i) the need for consent for assignment to any third party whether arising by operation of law, by contractual agreement or otherwise, and (ii) any confidentiality provision which may restrict the Issuer’s rights as owner of the Receivables) to the Issuer and the Receivable may be validly assigned to the Issuer in accordance with the Master Receivables Transfer Agreement; the Seller has not waived any of its rights under the Auto Loan Contract, the Receivable or the relevant Ancillary Rights;&gt;&gt;.</i></p> <p>See also the following R&amp;W in “Representations, Warranties and Undertakings of the Seller” and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p><i>&lt;&lt;5. True sale: to the best of its knowledge, the Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale of such Receivables from the Seller to the Issuer, for the purposes of Articles 20(1) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;&gt;&gt;.</i></p>	

**Article 20.7.** The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

6	<p><b>STS Criteria</b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the list of eligibility criteria set out in the in Schedule 3 of the MRTA.</p> <p>The EBA Guidelines clarify that “clear” does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is “clear” when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, “clear” is about certainty of determination.</p> <p>PCS has read the Eligibility Criteria in the MRTA.</p> <p>As they are mandatory, they meet the “predetermined” requirement.</p>	

	<p>As they are in the MRTA and in the Prospectus, they meet the “documented” requirement.</p> <p>PCS has also concluded that they allow determination in each case, and so meet the “clear” requirement.</p> <p>It is also note that the Seller (see section “Representations, Warranties and Undertakings of the Seller”) has represented that:</p> <p><i>&lt;&lt;(xvi). Receivables selection: In accordance with Article 6(2) of the EU Securitisation Regulation, none of the Receivables comprised in the Initial Portfolio has been selected, and none of the Receivables comprised in any Additional Portfolio will be selected by the Seller with the aim of rendering losses on any of the Receivables sold to the Issuer, measured over a maximum of 4 years, higher than the losses over the same period on comparable assets held on the balance sheet of the Seller;&gt;&gt;.</i></p>	
7	<p><b>STS Criteria</b></p> <p>7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>It is noted that the MRTA does not allow the Originator to repurchase individual Receivables save in specified cases such as the transferred receivables not meeting the relevant representations and warranties (see Clause 11 (FAILURE TO CONFORM AND REMEDIES) of the MRTA), and “DESCRIPTION OF THE TRANSACTION DOCUMENTS – Failure to conform and remedies”.</p> <p>The Originator has also a clean-up option (Clause 9 (SELLER’S REPURCHASE OPTION) of the MRTA).</p> <p>See also the R&amp;W in “Representations, Warranties and Undertakings of the Seller” and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p><i>&lt;&lt;6. Active portfolio management: the Eligibility Criteria do not allow for active portfolio management of the Receivables on a discretionary basis, in accordance with article 20(7) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; &gt;&gt;.</i></p> <p>See also the following provision in the Clause 4.2 (Renegotiations) of the Servicing Agreement:</p> <p><i>&lt;&lt;(e) With reference to the Permitted Renegotiations, the Non-Permitted Renegotiations and any repurchase of Receivables to be made by the Seller pursuant to Clause 4.2(d)(ii) above, the Parties hereby agree that any such renegotiation and/or repurchase:</i></p> <p><i>(i) shall be done exclusively in extraordinary circumstances and/or in order to ensure equal treatment between the Debtors of the Receivables and the debtors/borrowers under auto loan contracts with the Seller which are not included in the Securitisation;</i></p> <p><i>(ii) shall never be done for speculative purposes aimed at achieving a better performance for the Securitisation; and</i></p> <p><i>(iii) shall be carried out without prejudice to the interests of the Noteholders and in accordance with prevailing market conditions and at arm’s length.&gt;&gt;.</i></p> <p>Indeed, the EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of “active portfolio management”. To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion is deemed met.</p> <p>If a transaction should contain a repurchase device that is not included in the EBA’s list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining “active portfolio management”.</p> <p>PCS has reviewed all the repurchase devices set out in the Prospectus and the Transaction Documents, and these are acceptable within the context of the EBA final guidelines and its principles.</p>	

8	<p><b>STS Criteria</b></p> <p>8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>The transaction is revolving and the Receivables included in the Portfolio are required to meet certain contractually specified requirements: see in this respect "THE AGGREGATE PORTFOLIO":</p> <p><i>&lt;&lt;Each Receivable offered for purchase to the Issuer in accordance with the provisions of the Master Receivables Transfer Agreement must satisfy, on the relevant Selection Date and/or Purchase Date, the Eligibility Criteria set out in the Master Receivables Transfer Agreement. In order for a Receivable to satisfy the Eligibility Criteria (i) the relevant Receivable must meet the Receivables Eligibility Criteria; and (ii) the Auto Loan Contract from which such Receivable arises must meet the Contracts Eligibility Criteria. In addition, on each Purchase Date, the purchase of any Receivable, when aggregated with all other Receivables comprised in the Aggregate Portfolio and after taking into account all the Receivables to be purchased on such Purchase Date, shall not cause the Aggregate Portfolio to breach any of the Global Portfolio Limits.&gt;&gt;.</i></p> <p>See also, on similar terms, Clause 3. (ELIGIBILITY CRITERIA AND GLOBAL PORTFOLIO LIMITS) of the MRTA.</p>	

**Article 20.8.** The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.

9	<p><b>STS Criteria</b></p> <p>9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the following R&amp;Ws in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA</p> <p><i>&lt;&lt;(vii) <b>Homogeneity:</b> the Receivables are homogenous (i) in the terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual credit risk and prepayment characteristics, and (ii) with reference to the homogeneity factors available for auto loans, in accordance with Article 20(8) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards&gt;&gt;.</i></p> <p><i>&lt;&lt;(ix) <b>Ordinary business of the Seller and underwriting standards:</b> the Receivables are originated in the ordinary course of the Seller's business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar receivables that are not securitised, in accordance with Articles 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;&gt;&gt;.</i></p> <p>PCS considered also that the servicing of the Receivables is provided by SFS Italia as Servicer pursuant to the Servicing Agreement.</p> <p>As to the homogeneity factor, residence in the same jurisdiction applies: see §(d) of "AGGREGATE PORTFOLIO - Eligibility Criteria" and, on similar terms, the criterion set out in "CONTRACTS ELIGIBILITY CRITERIA" set out in Schedule 3/1 of the MRTA:</p> <p><i>&lt;&lt;(d) each Debtor was resident, or, in case of a Commercial Debtor, had its registered office, in the Republic of Italy as of the signature date of the Auto Loan Contract;&gt;&gt;.</i></p>	

	<p>The definition of “homogeneity” in the Regulation is the subject of a Regulatory Technical Standard (“RTS”). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of “homogeneity” is legally binding on all regulatory authorities.</p> <p>In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators’ belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisations and the RTS adopted by the European Commission.</p> <p>Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered “homogenous” by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for such analysis.</p> <p>In the Transaction, the loans were underwritten on a similar basis, they are being serviced by STS Italia according to similar servicing procedures, they are a single asset class – auto loans – and are all originated in the same jurisdiction.</p> <p>This requirement is therefore satisfied.</p>	
10	<p><b>STS Criteria</b></p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the following R&amp;W in “Representations, Warranties and Undertakings of the Seller” and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p>&lt;&lt;(viii) <b>Bindingness and enforceability:</b> the Receivables contain obligations that are <u>contractually binding and enforceable</u>, with full recourse to the Obligors, in accordance with the Articles 20(8) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;&gt;&gt;.</p> <p>See also the following contract eligibility criterion, set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/1 of the MRTA, §(e):</p> <p>&lt;&lt;(e) the Auto Loan Contract constitutes the <u>legal, valid, binding and enforceable contractual obligations</u> of the Seller and the relevant Debtor(s) and (...)&gt;&gt;.</p>	
11	<p><b>STS Criteria</b></p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the R&amp;W in comments to point 10 above.</p> <p>See also the following contract eligibility criterion, set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/1 of the MRTA, §(c):</p> <p>&lt;&lt;(c) where the Auto Loan Contract has been executed with several Debtors, these Debtors <u>are jointly liable (debitori solidali) for the full payment of the corresponding Receivable</u>&gt;&gt;.</p> <p>See also the definitions of</p> <p><b>“Obligor”</b>, being: &lt;&lt;Obligor means any Debtor, Car Dealer and/or Guarantor.&gt;&gt;; and</p> <p><b>“Debtor”</b> being &lt;&lt;Debtor means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.&gt;&gt;; and</p>	



**"Guarantor"**, being: <<Guarantor means each person who has granted a related security or which assumed the obligations of a Debtor or of a Car Dealer arising from an Auto Loan Contract that with reference to a VFG Balloon Auto Loan Contract includes also a Car Manufacturer.>>.

**Article 20.8.** The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.

12	<p><b>STS Criteria</b></p> <p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the following R&amp;W in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p>&lt;&lt;(xi) <b>Repayment method:</b> the Receivables have defined periodic payment streams, the instalments of which may differ in their amounts, relating to principal or interest payments and, with reference to the Balloon Auto Loan Contracts only, a Balloon Instalment that is higher than the other Instalments, in accordance with Articles 20(8) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; &gt;&gt;.</p>	
13	<p><b>STS Criteria</b></p> <p>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See point 12 above.</p> <p>See also the following R&amp;W in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p>&lt;&lt;(xiii) <b>Sale of asset:</b> none of the Receivables depends on the sale of assets to repay its outstanding principal as at the relevant contract maturity, also for the purposes of Article 20(13) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; &gt;&gt;.</p> <p>PCS notices also that the Receivables arise from unsecured auto loans.</p> <p>See Receivables Eligibility Criteria set out in "AGGREGATE PORTFOLIO - Eligibility Criteria" and, on similar terms, in Schedule 3/2 of the MRTA, §(b):</p> <p>&lt;&lt;(b) the Receivable gives rise to constant monthly Instalments of principal and interest at the relevant Contractual Interest Rate after its relevant Selection Date for each phase of the amortisation plan, provided that there will be no more than two phases and, with reference to the Balloon Auto Loan Contracts only, the final larger Balloon Instalment;&gt;&gt;.</p> <p>See also the following definitions related to the components of the Instalments:</p> <p>&lt;&lt;<b>Instalment</b> means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be paid by the Debtor on each date on which such instalment is due and payable under that Auto Loan Contract.&gt;&gt;;</p> <p>&lt;&lt;<b>Auto Loan Contract</b> means any loan agreement entered into between the Seller (as lender) and the relevant Debtor (as borrower) for the purchase of a Car, including, for avoidance of doubt, any Standard Auto Loan Contract and any Balloon Auto Loan Contract. &gt;&gt;;</p>	



<<**Balloon Auto Loan Contract** means each Auto Loan Contract (including any VFG Balloon Auto Loan Contract and Final Instalment Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in constant monthly instalments for each phase of the amortisation plan, provided that there will be no more than two phases of the amortisation plan and a Balloon Instalment, namely "VAC Balloon Non Fidelizzanti" and "VAC Balloon Fidelizzanti" and Balloon Auto Loan Contracts means all of them. >>;

<<**Final Instalment Balloon Auto Loan Contract** means a Balloon Auto Loan Contract (other than a VFG Balloon Auto Loan Contract) in respect of which the relevant Debtor has the obligation to pay the relevant Balloon Instalment and, upon request, may be granted an extension of the Auto Loan consequently dividing the payment of such Balloon Instalment into several additional instalments, in accordance with the relevant provisions of such contract.>>;

<<**VFG Balloon Auto Loan Contract** means a Balloon Auto Loan Contract in respect of which the relevant Debtor has been granted with the option to either (i) pay or refinance the Balloon Instalment and retain the Car or (i) return the Car to the Dealer (either buying a new Car or not), whereupon the Balloon Instalment will be due by the Dealer.>>

<<**Standard Auto Loan Contract** means an Auto Loan Contract whereby the relevant loan amortises over the life of the Auto Loan Contract in constant monthly instalments for each phase of the amortisation plan, provided that there will be no more than two phases of the amortisation plan. >>.

**Article 20.8.** The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

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**STS Criteria**

14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

**Verified?**  
**YES**

**PCS Comments**

See the following R&W in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA:

<<(x) *Type of Receivables: the Receivables do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU, in accordance with Article 20(8) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;*>>.

The ELIGIBILITY CRITERIA AND GLOBAL PORTFOLIO LIMITS set out in "AGGREGATE PORTFOLIO - Eligibility Criteria" and, on similar terms, in Schedule 3 of the MRTA are also noted.

The definition of Eligible Investments is also noted. Investments must comply with appropriate rating criteria, as set out in the definition of Eligible Investments. Such investments, however, must be certificates of deposit with Eligible Institutions and do not appear speculative instruments that could replace the underlying assets. The following proviso is noted:

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

**Article 20.9.** The underlying exposures shall not include any securitisation position.

15	<b>STS Criteria</b> 15. The underlying exposures shall not include any securitisation position.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <p>See the following Receivable Eligibility Criterion set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/2 of the MRTA:</p> <p>&lt;&lt;(r) the Receivable does not include any securitisation position, pursuant to Article 20(9) of the EU Securitisation Regulation.&gt;&gt;.</p> <p>See also comments to point 14 above and reh reference to the definition of “Eligible Investments” which expressly excludes the possibility of investing into &lt;&lt;tranches of other asset-backed securities&gt;&gt;.</p>	

**Article 20.10.** The underlying exposures shall be originated in the ordinary course of the originator’s or original lender’s business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.

16	<b>STS Criteria</b> 16. The underlying exposures shall be originated in the ordinary course of the originator’s or original lender’s business.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <p>See the following Contract Eligibility Criterion set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/1 of the MRTA:</p> <p>&lt;&lt;(g) the Auto Loan Contract (i) was executed by the Seller in its ordinary course of business and pursuant to its normal procedures in respect of the acceptance of and extension of auto financing loans, (ii) within the scope of its normal or habitual credit activity and (iii) has been managed in accordance with the Servicing Procedures;&gt;&gt;.</p> <p>See also the following R&amp;W in “Representations, Warranties and Undertakings of the Seller” and, on similar terms, in Schedule 5/2 of the MRTA:</p> <p>&lt;&lt;(ix) Ordinary business of the Seller and underwriting standards: the Receivables are originated in the ordinary course of the Seller’s business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar receivables that are not securitised, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;&gt;&gt;.</p> <p>The current underwriting standards are included in the Prospectus’ Section headed “UNDERWRITING AND SERVICING PROCEDURES”, particularly sub Sections “2. Loan Underwriting”, and “3. Risk Assessment”.</p>	
17	<b>STS Criteria</b> 17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>	

See comments to point 16 above and in particular the reference to the R&W in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA confirming that:

<<(ix) Ordinary business of the Seller and underwriting standards: the Receivables are originated in the ordinary course of the Seller's business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar receivables that are not securitised, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;>>.

**Article 20.10.** The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.

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**STS Criteria**

18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.

**Verified?**  
**YES**

**PCS Comments**

See statement in "1. MASTER RECEIVABLES TRANSFER AGREEMENT" and on similar terms in Schedule 5/3 of the MRTA (*Undertakings of the Seller*), where it is stated that:

<<(…) In addition, the Seller has, inter alia, undertaken: (…)

(t) Underwriting standards material changes: to disclose also to the investors (including potential investors) any material changes from prior underwriting standards without undue delay, including explanation of the purpose of the change, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;>>.

The above disclosure is made by means of the Inside Information and Significant Event Report, in accordance with Clause 17.4(b)(iii)(F) of the Intercreditor Agreement:

<<(F) any material changes from prior underwriting standards, including explanation of the purpose of the change;>>.

**Article 20.10.** In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.

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**STS Criteria**

19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.

**Verified?**  
**YES**

**PCS Comments**

This requirement does not apply to auto loans.

**Article 20.10.** The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.

20	<b>STS Criteria</b> 20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the following R&W in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA: <<(xiv) (...) The assessment of the Debtor's creditworthiness meets all the requirements set out under Article 8 of Directive 2008/48/EC, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;>>.	

**Article 20.10.** The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.

21	<b>STS Criteria</b> 21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the R&W relating to the Seller, set out in Schedule 5/1 of the MRTA: <<13. Seller's expertise - SFS Italia has expertise in originating and servicing receivables of a similar nature of the Receivables, in accordance with article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.>>. See also the Prospectus Section headed "THE SELLER, THE SERVICER, THE CASH MANAGER AND THE JUNIOR NOTES SUBSCRIBER", where it is confirmed that <<(…) The Seller has expertise in originating receivables of a similar nature of the Receivables, in accordance with article 20(10) of the EU Securitisation Regulation.>>.	

**Article 20.11.** The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...

22	<b>STS Criteria</b> 22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the following definitions in the Prospectus: << <b>Selection Date</b> means the First Selection Date or any Subsequent Selection Date, as applicable.>>	

<<**First Selection Date** means 19 May 2025.>>

<<**First Purchase Date** means 22 May 2025.>>

<<**Subsequent Selection Date** means, during the Revolving Period, the day falling no later than 6 (six) Business Days after the Information Date.>>

<<**Information Date** means the date falling no later than 6 (six) Business Days following each Determination Date.>>

<<**Determination Date** means the last day of each calendar month.>>

<<**Purchase Date** means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).>>

<<**Subsequent Purchase Date** means the day falling one Business Day after each Subsequent Selection Date.>>

See also the following R&W in “Representations, Warranties and Undertakings of the Seller” and, on similar terms, in Schedule 5/2 of the MRTA:

<<(xii) *Transfer on the Purchase Date: the Receivables are transferred from the Seller to the Issuer on each Purchase Date without undue delay after selection and in particular after no more than 5 (five) Business Days after the relevant Selection Date;*>>.

PCS’ view is that any period of up to three and a half months or less between pool cut date and the relevant transfer will meet the requirements of the criterion. This is in line with market standards.

PCS is advised that the initial pool-cut and the relevant transfer date is expected to be well within a period of few days and the Prospectus provides that subsequent pool cuts and transfers cannot be more than one Business Day apart. This clearly meets the requirement.

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#### **STS Criteria**

23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...

**Verified?**

**YES**

#### **PCS Comments**

See the following Receivable Eligibility Criterion set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/2 of the MRTA:

<<(k) *the Receivable is not a Defaulted Receivable, has not been accelerated and more generally is not doubtful, subject to litigation or frozen and does not include exposures in default within the meaning of Article 178(1) of the CRR;*>>.

See also the R&Ws quoted in comments to point 24 below.

**Article 20.11.** The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender'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 date of transfer or assignment of the underlying exposures to the SSPE, 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 date of transfer or assignment of the underlying exposures to the SSPE; and
- (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) 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, where there is no such public credit registry, another credit registry that is available to the originator or original lender; 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.

24

**STS Criteria**

24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

**Verified?****YES****PCS Comments**

See the following R&Ws in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA:

<<(xiv) Credit assessment of the Debtors: the Receivables comprised in each Portfolio do not qualify as exposure in default within the meaning of Article 178, paragraph 1, of Regulation (EU) no. 575/2013 nor as exposures to a credit-impaired debtor or guarantor, who, to the best of the Seller's knowledge:

(1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the relevant Purchase Date;

(2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or in the absence of such public credit registry, in another credit registry available to the Seller or the original lender; or

(3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Seller which have not been securitised,

in accordance with Article 20(11) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards.

The assessment of the Debtor's creditworthiness meets all the requirements set out under Article 8 of Directive 2008/48/EC, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;>>.

See also the following Receivable Eligibility Criterion set out in "AGGREGATE PORTFOLIO - Eligibility Criteria" and, on similar terms, set out in "AGGREGATE PORTFOLIO - Eligibility Criteria" and, on similar terms, in Schedule 3/2 of the MRTA:

<<(j) the Receivable is not a Delinquent Receivable;>>

<<Delinquent Receivable means any Performing Receivable in respect of which an amount is already overdue and not yet classified as Defaulted Receivable.>>

<<**Performing Receivable** means any Receivable which is not a Defaulted Receivable.>>.

The note below applies to points from 24 to 30.

Although the text of the STS Regulation is quite vague, the EBA guidelines on defining “credit impaired” debtors are very helpful.

For PCS, the key points of the EBA guidelines on this issue are:

a. Firstly, that the three listed conditions of credit impaired status (set out in article 20.11 (a) to (c) of the Regulation) amount to a full definition of what it means to be “credit impaired”. So that it is not necessary to reflect at what the term “credit impaired” could mean above and beyond those three items.

b. Secondly, in relation to entries in a credit registry, the EBA is very clear that the criterion should not be interpreted as excluding debtors with any entry on a credit registry. Providing further guidance, the example given in the EBA Guidelines of a credit registry entry that would not be indicative of a “credit impaired” debtor is the example of a failure to pay that can “reasonably be ignored” for the purposes of credit assessment.

Therefore, the criterion, to be met, does not require the elimination from the pool of all debtors with any negative entry in a credit registry but only those whose entries it would not be reasonable to ignore for the purposes of credit assessments.

Absent any further clarification from the EBA or a national competent authority regarding what it is reasonable to ignore, a judgement would still be necessary in cases where the originator does include in the pool some debtors with some negative entries in a credit registry.

In making this judgement, PCS takes comfort from the intent of the legislators – including, crucially, the legislators’ belief that the STS Regulation was justified by the excellent performance of most “plain vanilla” European securitisation. It is clear to PCS that the “credit impaired” prohibition is driven by the desire of legislators to exclude from the STS category deals generally coming under the definition of “sub-prime”. Therefore, it is unreasonable to refuse STS status to a transaction considered by universal consensus to be a “prime/plain vanilla” transaction with no “sub-prime” aspects. Indeed, this approach seems to be the rationale behind the EBA Guidelines on this matter.

c. Thirdly, the EBA Guidelines on guaranteed obligations make it clear that the criterion is met so long as either the debtor or the guarantor are not “credit impaired”.

**Based on the representations and the Eligibility Criteria quoted above and in comments to point 23 above, PCS reached sufficient evidence that this requirement is satisfied.**

25

**STS Criteria**

25.(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.

**Verified?**  
**YES**

**PCS Comments**

See the R&Ws and the Eligibility Criteria mentioned in comments to points 23 and 24 above.

26	<b>STS Criteria</b> 26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the R&Ws mentioned in comments to point 24 above: to the best of the Originator's knowledge no debtors whose obligations have been restructured in the three years prior to the relevant Purchase Date are included in the Portfolio.	
27	<b>STS Criteria</b> 27. (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 date of transfer or assignment of the underlying exposures to the SSPE; and	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the R&Ws mentioned in comments to point 24 above: to the best of the Originator's knowledge no debtors whose obligations have been restructured in the three years prior to the relevant Purchase Date are included in the Portfolio.  PCS notes that the statement of absence of exposures to a credit-impaired debtor or guarantor, that have undergone a debt-restructuring process in the latest three years prior to the assignment to the SPV is not qualified by any exception.  This requirement is, therefore, satisfied.	
28	<b>STS Criteria</b> 28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) 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>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See comments to point 27 above.	
29	<b>STS Criteria</b> 29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the R&Ws mentioned in comments to point 24 above.	



30	<b>STS Criteria</b> 30. (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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the R&Ws mentioned in comments to point 24 above.	

**Article 20.12.** The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.

31	<b>STS Criteria</b> 31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See the following Receivable Eligibility Criterion set out in “AGGREGATE PORTFOLIO - Eligibility Criteria” and, on similar terms, in Schedule 3/2 of the MRTA, §(d): <<(d) at least 1 (one) Instalment has been paid by the Debtor under the relevant Auto Loan Contract;>>.	

**Article 20.13.** The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.

The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.

32	<b>STS Criteria</b> 32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> PCS notices that the underlying exposures are unsecured loans, which do not benefit from any security over the Vehicles. Certain Receivables arise from loans which contemplate the final payment of a balloon instalment at the end of the amortisation period. << <b>Auto Loan Contract</b> means any loan agreement entered into between the Seller (as lender) and the relevant Debtor (as borrower) for the purchase of a Car, including, for avoidance of doubt, any Standard Auto Loan Contract and any Balloon Auto Loan Contract.>>	

<<**Balloon Auto Loan Contract** means each Auto Loan Contract (including any VFG Balloon Auto Loan Contract and Final Instalment Balloon Auto Loan Contract) whereby the relevant loan amortises over the life of the Auto Loan Contract in constant monthly instalments for each phase of the amortisation plan, provided that there will be no more than two phases of the amortisation plan and a Balloon Instalment, namely "VAC Balloon Non Fidelizzanti" and "VAC Balloon Fidelizzanti" and Balloon Auto Loan Contracts means all of them.>>.

See also comments to point 13 above.

The Prospectus section headed "The Aggregate Portfolio" includes a description of the Balloon options:

<<All the Receivables derive from Auto Loans.

Under the Auto Loans the relevant Debtor shall pay:

(a) constant monthly instalments over the life of the relevant Auto Loan; plus

(b) with reference to the Balloon Auto Loan Contracts, a Balloon Instalment equal to a predetermined minimum guaranteed value/amount determined as at the outset of the Balloon Auto Loan Contract.>>.

<<**Collections** means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) received by or on behalf of the Issuer in relation to the Receivables (other than the Defaulted Receivables), including, for avoidance of doubt, with reference to the VFG Balloon Auto Loan Contracts, the payments made by the Car Dealers or the Car Manufacturers in relation to the Balloon Instalments.>>.

See the following R&W confirming no dependence from the sale of assets, set out in "Representations, Warranties and Undertakings of the Seller" and, on similar terms, in Schedule 5/2 of the MRTA:

<<(xiii) **Sale of asset:** none of the Receivables depends on the sale of assets to repay its outstanding principal as at the relevant contract maturity, also for the purposes of Article 20(13) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;>>.

PCS due diligence confirmed that the Loan Agreements are auto loans whose repayment is not dependent on the sale of the relevant Vehicle, since no mortgage or privilege is registered on any Vehicle, no other title to the Vehicle remains with the Seller. Additionally, the underwriting policies show that the applicant is required to provide evidence of its income: if a private person this is the evidence of its income statement or tax return, or if a company, this is given by providing the financial statement of the last financial year. Further, it is noted that the Balloon Instalment, where contemplated, is pre-agreed as to its amount and does not depend on the residual value of the car, because it is an amount due under the loan. Clearly, the Balloon Instalment can be set-off in whole or in part with the purchase price that is due to the Borrower who returns the car, but this does not imply that the amount due under the loan is dependent from the value of the car.

In the light of the above, PCS is sufficiently satisfied that the repayment of the Notes has not been structured to depend on the sale of any asset.

**Article 21.1.** The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.

33	<p><b>STS Criteria</b></p> <p>33. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See Prospectus cover page:</p> <p>&lt;&lt;(…) SFS Italia, in its capacity as originator pursuant to the EU Securitisation Regulation, will: (i) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5 (five) per cent. in the Securitisation through an interest in randomly selected exposures, in accordance with option (c) of Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and of SECN 5 (the FCA Retention Rules) and Article 6 of Chapter 2 together with Chapter 4 of the PRA Securitisation Rules (the PRA Retention Rules and, together with the FCA Retention Rules, the UK Retention Rules) (as such rules are interpreted and applied on the Issue Date). Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures as at each relevant Purchase Date; (ii) not change the manner in which the net economic interest set out above is held until the Notes are redeemed or repaid in full, save as permitted by the EU Securitisation Regulation and the applicable Regulatory Technical Standards and by the UK Retention Rules (as such rules are interpreted and applied on the Issue Date); (iii) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with Article 6(3)(c) of the EU Securitisation Regulation and the UK Retention Rules (as such rules are interpreted and applied on the date hereof and not taking into account any relevant national measures) and give relevant information to the Noteholders, prospective transferee of the Notes and the competent authorities in this respect on a monthly basis through the Sec Reg Investor Report to be prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payment Agreement; (iv) procure that any change to the manner in which the material net economic interest set out above is held will be notified to the Calculation Agent for the purposes of disclosure in the Sec Reg Investor Report; and (iv) not split the material net economic interest held by it amongst different types of retainers (such material net economic interest not to be subject to any credit-risk mitigation or hedging, in accordance with Article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and the UK Retention Rules (as such rules are interpreted and applied on the Issue Date)), provided that, for the avoidance of doubt, the Seller shall only be required to comply with the obligations set out above for so long as the EU Securitisation Regulation shall apply to the Securitisation. However, prospective investors that are UK Affected Investors should be aware that, whilst on the Issue Date the requirements under Article 6 of the EU Securitisation Regulation and the UK Retention Rules are very similar, the requirements under the EU Securitisation Regulation and the UK Retention Rules may diverge in the future. There will be restrictions on the sale of the Notes and on distribution of information in respect thereof (for further details see the section headed "Subscription, Sale and Selling Restrictions").&gt;&gt;.</p> <p>The following R&amp;W of the Seller (see section "Representations, Warranties and Undertakings of the Seller") is also noted:</p> <p>&lt;&lt;(xvii) Risk Retention: SFS Italia (a) has specific procedures that enables it to comply with the provisions of the Risk Retention Regulatory Technical Standards in respect of the Initial Portfolio and on an ongoing basis for the Additional Portfolio and (b) has put in place measures so as to mitigate possible risks of non-compliance in respect of the Risk Retention Regulatory Technical Standards.&gt;&gt;.</p> <p>The following clause in 17.1(b) of the Intercreditor Agreement is also noted:</p> <p>&lt;&lt;(b) In particular, the Seller undertakes that the manner in which the material net economic interest is held will:</p> <p>(i) on the Issue Date, be disclosed in the section "Retention and Transparency Requirements" of the Prospectus;</p> <p>(ii) following the Issue Date, on a monthly basis, with reference to the Sec Reg Investor Report to be provided by the Seller, as Reporting Entity on each Sec Reg Report Date, be included in the Sec Reg Investor Report issued by the Calculation Agent, on behalf of the Seller pursuant to clause 8.9 of the Cash Allocation Management and Payments Agreement and clause 17.4 (b)(ii) below.&gt;&gt;.</p>	

The Originator confirmed to PCS that it will retain (and flag) at least the 5% of the receivables on each Offer Date to make sure this requirement is satisfied also during the Revolving Period.

This criterion is, in part, a future event criterion, as to which we refer you to PCS' analysis in comments to point 73 below.

**Article 21.2.** The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.

<b>34</b> <b><u>STS Criteria</u></b> 34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	<b><u>Verified?</u></b> <b>YES</b>
<b><u>PCS Comments</u></b> <p>The interest rate risk is hedged through an Interest Rate Swap Agreement covering interest rate payable on Class A to D Notes.</p> <p>In the Risk Factor headed "Interest Rate Risk", it is also specified that &lt;&lt;(…) The interest rate risk on the Class E Notes is not hedged. This does not affect the Issuer capabilities to face its liabilities on such Class E Notes, based on its subordinate position and the limited size of such Class E Notes. For further details, see the paragraph "Description of the Interest Rate Swap Agreement".&gt;&gt;.</p> <p>The following statement in Transaction Overview is also noted:</p> <p>&lt;&lt;Interest Rate Swap Agreement - In order to hedge its interest rate exposure in relation to its floating rate interest obligations under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and appropriately mitigate the interest rate risk connected therewith pursuant to Article 21(2) of the EU Securitisation Regulation, the Issuer entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider in the form of an ISDA 2002 Master Agreement (together with the schedule thereto, the relevant credit support annex and the relevant confirmations).&gt;&gt;.</p> <p>A description is contained in Prospectus Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 8. INTEREST RATE SWAP AGREEMENT".</p> <p>PCS received also a draft of a legal opinion confirming that the Interest Rate Swap Agreement constitutes valid and binding obligations.</p>	
<b>35</b> <b><u>STS Criteria</u></b> 35. Currency risks arising from the securitisation shall be appropriately mitigated.	<b><u>Verified?</u></b> <b>YES</b>
<b><u>PCS Comments</u></b> <p>The Notes are denominated in Euro (see Condition 1.2 which provides that</p> <p>&lt;&lt;The denomination of the Rated Notes (other than the Class A2 Notes) will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The denomination of the Class A2 Notes will be Euro 100,000 and multiples of Euro 100,000. The denomination of the Junior Notes will be Euro 1,000.&gt;&gt;.</p> <p>The assets are also denominated in Euro (see Receivables Eligibility Criteria: &lt;&lt;(a) the Receivable is denominated and payable in Euro;&gt;&gt;.</p> <p>See also the definition of "<b>Basic Terms Modification</b>", as set out in the "Rules of the Organisation of the Noteholders", which provides for an increased quorum and majority for Noteholders to validly adopt decisions that have as an effect a change in the currency on the Notes:</p>	

	<p>&lt;&lt;(f) a modification which would have the effect of altering the currency of payment in respect of any Class of Notes or any alteration of the date or priority of payment or redemption of any Class of Notes;&gt;&gt;.</p> <p>Therefore, on this basis, PCS' view is that in the absence of any currency mismatch, no currency hedging is necessary.</p>	
36	<p><b>STS Criteria</b></p> <p>36. Any measures taken to that effect shall be disclosed.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>As to interest rate risk, disclosure of the measures taken is included in the description of the Interest Rate Swap Agreement. See also comments to point 34 above.</p> <p>As to currency risk, no forex risk is embedded in the Notes or in the assets and, therefore, no measure in this respect is taken and disclosed.</p>	

**Article 21.2.** Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.

Those derivatives shall be underwritten and documented according to common standards in international finance.

37	<p><b>STS Criteria</b></p> <p>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See TERMS AND CONDITIONS OF THE NOTES – Condition 3 (Covenants):</p> <p>&lt;&lt;3. COVENANTS</p> <p><i>Subject to the provisions below, for so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in these Conditions or in any of the other Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholder's meetings to be convened in order to: (...)</i></p> <p><i>(c) Restrictions on activities - (i) without prejudice to Condition 3.2 (Covenants – Further securitisation) below, engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto, or enter into any agreement or document, including any derivative contracts;&gt;&gt;.</i></p> <p>In respect of the proviso above, referring to “without prejudice to Condition 3.2 (Covenants – Further securitisation) below”, which means that the covenant is subject to further securitisations, it is noted that the Terms and Conditions or the Transaction Documents do not prevent or restrict the Issuer from entering into a further securitisation and relevant documents (Further Security), provided that</p> <p>&lt;&lt;(f) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not jeopardise the STS status of the Securitisation also on the basis of a legal opinion issued by a law firm selected by the Servicer; and (...)&gt;&gt;.</p> <p>See also the definition of “Eligible Investments”, pursuant to which:</p>	

	<<(…) provided that in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral. (...)>>.	
38	<b>STS Criteria</b> 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See "Receivables Eligibility Criteria" in §(q) of Section headed "THE PORTFOLIO – Eligibility Criteria": <<(q) the Receivable does not include derivatives pursuant to Article 21(2) of the EU Securitisation Regulation;>>. See also point 37 above for the provision excluding derivatives from Eligible Investments.	
39	<b>STS Criteria</b> 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> The Interest Rate Swap Agreement is entered into in the framework of an ISDA 2002 Master Agreement. See definition of "ISDA Master Agreement": << <b>ISDA Master Agreement</b> means the form of an International Swaps and Derivatives Association 2002 Master Agreement together with the relevant Schedule, dated as of (...) entered into between the Issuer and the Interest Rate Swap Provider.>>.	
<b>Article 21.3.</b> Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.		
40	<b>STS Criteria</b> 40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> As for assets: <ul style="list-style-type: none"><li>Interest payable by Borrowers on the Loans is calculated on the basis of a fixed interest rate (see Contracts Eligibility Criteria: &lt;&lt;(p) the Auto Loan Contract from which the Receivable arises has a fixed Effective Interest Rate;&gt;&gt;).</li></ul> As for liabilities:	

• the Class A, B, C, D and E Notes have a floating rate of interest, based on Euribor. See cover page and Condition 5.2 (*Interest Rate and Variable Return*) in the Terms and Conditions of the Notes.

• The excess spread will be payable to the Originator as a Variable Return accruing on the Class Z Notes (see Condition 5.2(c) in the Terms and Conditions of the Notes) and definition of Variable Return.

Based on the above, PCS is prepared to verify that this criterion is satisfied.

**Article 21.4.** Where an enforcement or an acceleration notice has been delivered:

(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;

(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;

(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and

(d) No provisions shall require automatic liquidation of the underlying exposures at market value.

#### 41 STS Criteria

41. Where an enforcement or an acceleration notice has been delivered:

(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;

**Verified?**  
**YES**

#### PCS Comments

See the Post-Enforcement Priority of Payments, as set out in the Transaction Overview and in Condition 4.4 of the Terms and Conditions of the Notes.

The Post-Enforcement Priority of Payments does not contemplate high ranking items in the PoP, other than taxes, expenses and fees to the agents of the Issuer.

We note that in a Post-Enforcement scenario, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the payment of "Expenses", and that for such purpose a Retention Amount is to be held in the Expenses Account (and replenished on each Payment Date up to the "Retention Amount"). See also items from first to fifth of the "Post-Enforcement Priority of Payments" and the statement contained in Condition 10.2 that:

<<(…) Following the delivery of a Trigger Notice: (...)

(b) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by Article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.

It is also noted that the General Reserve Account is replenished only in a Pre-Enforcement scenario.

	<p>PCS is satisfied that the amounts standing to the credit of the Expenses Account and the General Reserve Account are therefore only amounts necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors during the Revolving Period or the Amortisation Period.</p> <p>PCS is therefore satisfied that this requirement is met.</p>	
42	<p><b>STS Criteria</b></p> <p>42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p> <p><b>PCS Comments</b></p> <p>PCS notices that the post-enforcement PoP, applicable in a post enforcement scenario, contemplates only sequential payments (see items from sixth onwards in Condition 4.4 (<i>Post-Enforcement Priority of Payments</i>)).</p> <p>It is also noted that a specific Regulatory Call Priority of Payments is set out in Condition 4.3 (<i>Regulatory Call Priority of Payments</i>) of the Terms and Conditions of the Notes. Such PoP applies to repay the Class B to Class E Notes, as item fifth of the pre-enforcement principal PoP (see Condition 4.2 (<i>Pre-Enforcement Principal Priority of Payments</i>) in Terms and Conditions of the Notes and also Clause 18 (<i>EARLY REDEMPTION FOR REGULATORY CHANGE EVENT</i>) of the Intercreditor Agreement) on or after the occurrence of a Regulatory Call Early Redemption Date. In any such case, &lt;&lt;modifications, waivers and additions shall not affect the compliance of the Securitisation with the EU Securitisation Regulation and/or its STS status or otherwise have a material adverse effect on the holders of the Class A Notes&gt;&gt;, in accordance with Clause 18.2 of the Intercreditor Agreement.</p> <p>PCS is therefore satisfied that this requirement is met.</p>	<p><b>Verified?</b> <b>YES</b></p>
43	<p><b>STS Criteria</b></p> <p>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p> <p><b>PCS Comments</b></p> <p>See comments to point 42 above.</p>	<p><b>Verified?</b> <b>YES</b></p>
44	<p><b>STS Criteria</b></p> <p>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p> <p><b>PCS Comments</b></p> <p>See "4. INTERCREDITOR AGREEMENT - Disposal of the Portfolio following the occurrence of a Trigger Event".</p> <p>&lt;&lt;Pursuant to the Intercreditor Agreement, following the delivery of a Trigger Notice and in accordance with the Conditions, the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Aggregate Portfolio or any part thereof in accordance with the provisions of the Intercreditor Agreement, it being understood that <u>no provisions shall require the automatic liquidation of the Aggregate Portfolio pursuant to Article 21(4)(d) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.</u>&gt;&gt;.</p> <p>See also clause 7.5 of the Intercreditor Agreement:</p> <p>&lt;&lt;7.5 Acknowledgments of the Other Issuer Secured Creditors</p>	<p><b>Verified?</b> <b>YES</b></p>



Each of the Other Issuer Secured Creditors acknowledges and agrees that:

(i) upon the Issuer's Mandate becoming effective pursuant to the provisions of Clause 6 (Mandate from the Issuer in favour of the Representative of the Noteholders) above, the Representative of the Noteholders shall be entitled, in its capacity as representative of the noteholders, including without limitation in the interests and for the benefit of the Other Issuer Secured Creditors, pursuant to articles 1411 and 1723, second paragraph of the Italian Civil Code, to exercise certain rights in relation to the Aggregate Portfolio pursuant to the Transaction Documents (other than, in respect to the Servicing Agreement, the collection and recovery of the Receivables which shall continue to be performed by the Servicer pursuant to the Servicing Agreement) and in particular, to dispose of the Aggregate Portfolio in accordance with the Conditions and the Rules and the Representative of the Noteholders will be authorised, pursuant to the terms of this Agreement and the Issuer's Mandate herein, to exercise, in the name and on behalf of the Issuer and as mandatario in rem propriam of the Issuer, all and any of the Issuer's rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents; and

(ii) unless otherwise provided under any Transaction Document, it waives all its rights of set-off or counterclaim against the Issuer and agrees not to permit any party to exercise any right of claim it has against the Issuer by way of a subrogation action (azione surrogatoria) pursuant to article 2900 of the Italian Civil Code.>>.

**Article 21.5.** Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.

#### 45 STS Criteria

45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.

**Verified?**  
**YES**

#### PCS Comments

The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.

In this transaction payments under the Notes are made sequentially in a post enforcement scenario.

In a pre-enforcement scenario, principal in respect of Class A to Class E Notes is initially paid *pari passu* and *pro-rata*, according to the relevant "Pro-Rata Amortisation Amount" until their redemption in full (see item *fourth* of the Pre-Enforcement Principal Priority of Payments, as set out in the TRANSACTION OVERVIEW and Condition 4.2).

Upon the occurrence of a Sequential Redemption Event and the delivery of a Sequential Redemption Notice, the Pro-Rata Amortisation Period terminates and principal on the Class A to Class D Notes is payable sequentially.

The "Sequential Redemption Events" are set out in Condition 6.7 (*Sequential Redemption Event*), and they include events that trigger upon a deterioration of the credit quality of the underlying exposures, such as the Cumulative Loss Ratio or the Delinquency Ratio Rolling Average exceeding specified thresholds or the aggregate Outstanding Balance of the Defaulted Receivables exceeding a specified amount.

It is noted that the Class E Notes shall be repaid out of the interest available funds, in accordance with the Pre-Enforcement Interest Priority of Payments. The proceeds of the Class E Notes are not used to purchase Receivables but to fund the General Reserve (see "Use of Proceeds"). In particular, principal on the Class E Notes in a pre-enforcement scenario and before the occurrence of a Sequential Redemption Event is payable as item *sixteenth* of the Pre-Enforcement Interest Priority of Payments. This could in principle lead to re-pay principal on such Class E Notes prior in time in respect of principal on other Notes. However, this may occur only before the service of a Sequential Redemption Notice or a Trigger Notice. And in any event, it should be noted as follows:

(A) In a pre-enforcement scenario and before the service of a Sequential Redemption Notice:

- The Class E Notes fund the General Reserve. The General Reserve is part of Interest Available Distribution Amounts and is used primarily to ensure that funds are timely available to pay interest on the higher Classes of Notes.
- Under item eleventh of the interest PoP, the General Reserve is to be maintained to its target level before the flows continue downwards. This is made by replenishing the balance of the General Reserve Account of an amount equal to the General Reserve Replenishment Amount.
- To the extent that interest on all the higher Classes of Notes is paid in full, and that the General Reserve is replenished up to the General Reserve Required Amount, any residual funds by way of interest (including those arising from the General Reserve) will be used, according to item from twelfth to reduce to zero the Principal Deficiency Sub-Ledgers related to the higher ranking Classes of Notes, in sequential order. The Principal Deficiency Sub-Ledgers deficits rank above the repayment of both interest and principal on such Class E Notes: – this means that if there are any PDL deficits, the Class E does not get paid in the interest waterfall and that the General Reserve is used for payments of interest, but also for making sure that principal on the higher ranking Notes is paid even in case of deficiencies.

(B) Following the service of a Sequential Redemption Notice (but before a Trigger Notice), Condition 6.7(c) would apply:

<<6.7(c) Following the delivery of a Sequential Redemption Notice:

- (i) *the Pro-Rata Amortisation Period will end (unless a Sequential Redemption Notice has been delivered during the Revolving Period as, in such case, the Pro-Rata Amortisation Period will not start and the Sequential Redemption Period will begin) and repayments of principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will cease to be made on a pari passu and pro rata basis in accordance with the Pre-Enforcement Principal Priority of Payments; and*
- (ii) *the Sequential Redemption Period will start and during such period repayments of principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will be made at all times in a sequential order in accordance with the Pre-Enforcement Principal Priority of Payments so that (i) the Class B Notes will not be further redeemed for so long as the Class A Notes have not been redeemed in full, (ii) the Class C Notes will not be further redeemed for so long as the Class B Notes have not been redeemed in full, and (iii) the Class D Notes will not be further redeemed for so long as the Class C Notes have not been redeemed in full.>>.*

(C) Following the service of a Trigger Notice, the Post-Enforcement Priority of Payments (Condition 4.4) would apply and repayment of the Notes of each Class will be made sequentially for both interest and principal, without exceptions.

Based on the above considerations, the purpose of the Class E Notes and the structure of the priorities of payments, PCS is prepared to consider this requirement satisfied.

**Article 21.6.** The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;
- (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;
- (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
- (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).

46	<p><b>STS Criteria</b></p> <p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>This provision applies to transactions with a revolving period.</p> <p>This transaction contemplates a revolving period that may terminate upon the occurrence of an Amortisation Event, as set out in the relevant definition contained in the Terms and Conditions of the Notes.</p> <p>The occurrence of any of the following events will constitute an Amortisation Event:</p> <ul style="list-style-type: none"> <li>• &lt;&lt;(a) a Sequential Redemption Event occurs&gt;&gt;: it is noted that this, in turn, is triggered, as indicated in comments to point 45 above, upon events that include the Cumulative Loss Ratio or the Delinquency Ratio Rolling Average exceeding a specified threshold or the aggregate Outstanding Balance of the Defaulted Receivables exceeding a specified amount;</li> <li>• &lt;&lt;(c) the Default Ratio Rolling Average, calculated on the relevant Servicer Report Date, is higher than 0.5 per cent.; or&gt;&gt;</li> <li>• &lt;&lt;(d) the Delinquency Ratio for the immediately preceding Collection Period, calculated on the relevant Information Date, is higher than 5 per cent.; (...)&gt;&gt;.</li> </ul> <p>This requirement is therefore satisfied.</p>	
47	<p><b>STS Criteria</b></p> <p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>The occurrence of any of the following events will constitute an Amortisation Event, as set out in the relevant definition contained in the Terms and Conditions of the Notes:</p> <ul style="list-style-type: none"> <li>• &lt;&lt;(a) a Sequential Redemption Event occurs&gt;&gt;: it is noted that this, in turn, is triggered also in the case in which &lt;&lt;(i) Insolvency of SFS Italia: an Insolvency Event occurs in respect of SFS Italia or any third party Servicer; (...)&gt;&gt; (see Condition 6.7(a)).</li> </ul> <p>PCS notices that the interpretation of this requirement is that if either the Originator or the Servicer become insolvent, then the termination event in relation to the revolving period is to be triggered.</p>	

	In this transaction, the Servicer and the Originator are, at least initially, the same entity. Should the Servicer be replaced with a third-party Servicer, and became insolvent, this would still be captured by the above provision, and would determine the occurrence of a Sequential Redemption Event and, therefore, also of an Amortisation Event.  Therefore, this requirement is satisfied.	
48	<b>STS Criteria</b> 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>  The occurrence of the following event will constitute an Amortisation Event:  <<(e) <u>a debit balance remains outstanding on the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, or the Class D Principal Deficiency Sub-Ledger on any Calculation Date following the relevant payments and/or provisions required to be made by the Issuer on the immediately following Payment Date in accordance with the Pre-Enforcement Interest Priority of Payments; (...)&gt;&gt;.</u>	
49	<b>STS Criteria</b> 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>  The occurrence of any of the following events will constitute an Amortisation Event, as set out in the relevant definition contained in the Terms and Conditions of the Notes:  • <<(g) <u>on any Payment Date, the Principal Available Distribution Amounts standing to the credit of the Collection Account after application of item Third (i) of the Pre-Enforcement Principal Priority of Payments exceeds 10 per cent. of the Outstanding Balance of the Initial Portfolio as at the First Selection Date for 3 (three) consecutive Purchase Dates; (...)&gt;&gt;.</u>	
<b>Article 21.7.</b> The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.		
50	<b>STS Criteria</b> 50. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>  For the Servicer, see section “DESCRIPTION OF THE TRANSACTION DOCUMENTS - 2. SERVICING AGREEMENT”.	

	<p>For the Representative of the Noteholders (that performs fiduciary activities on behalf of the noteholders and other issuer creditors) see the “Rules of the Organisation of the Noteholders”, Article 27 (DUTIES AND POWERS). See also the description of the Intercreditor Agreement.</p> <p>For the other ancillary service providers, see section “DESCRIPTION OF THE TRANSACTION DOCUMENTS”, subsection “3. CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT”, or the description of the duties and responsibilities of other agents of the Issuer contained therein.</p>	
51	<p><b>STS Criteria</b></p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p> <p><b>PCS Comments</b></p> <p>See Clause 13. (TERMINATION OF APPOINTMENT AND SUBSTITUTION OF THE SERVICER) of the Servicing Agreement. In particular, see the following continuity provision:</p> <p><i>&lt;&lt;13.3 Effectiveness of the termination / resignation and notification to the Rating Agencies</i></p> <p><i>(a) Both termination of and resignation from the appointment of the Servicer pursuant to Clauses 13.1 (Termination) and 13.2 (Resignation) above will be effective as of the Business Day following the date on which the Successor Servicer appointed by the Issuer (or the Representative of the Noteholders, in the name and on behalf of the Issuer) in accordance to Clause 13.4 (Successor Servicer) has (a) executed an agreement substantially in the form hereof; and (b) become a party to the Intercreditor Agreement and the other Transaction Documents to which the Servicer is a party.</i></p> <p><i>(b) Written notice of the occurrence of any Servicer Termination Event shall be given by the Issuer and/or the Servicer to the Rating Agencies and the Arranger promptly after becoming aware thereof. Any termination and/or any resignation of the Servicer shall be notified in advance by the Issuer and/or the Servicer to the Rating Agencies.&gt;&gt;.</i></p> <p>Additionally, pursuant to Clause 13.7 (Back-up Servicer) of the Servicing Agreement:</p> <p><i>&lt;&lt;(a) As soon as possible and in any event within 30 (thirty) days following the occurrence of a Back-up Servicer Implementation Event, the Back-up Servicer Facilitator, pursuant to the Intercreditor Agreement, shall identify and propose to the Issuer and the Representative of the Noteholders (in consultation with the Arranger) one or more entities, having the characteristics indicated under Clause 13.4 (Successor Servicer) above, which would be prepared to act as back-up servicer (the Back-up Servicer) in the context of the Securitisation. In the event of failure by the Back-up Servicer Facilitator to identify and propose a Back-up Servicer, the Representative of the Noteholders shall do so at the costs and expenses of the Back-up Servicer Facilitator.&gt;&gt;.</i></p> <p>See also Clause 20 (The Back-Up Servicer Facilitator) of the Intercreditor Agreement.</p>	<p><b>Verified?</b> <b>YES</b></p>
52	<p><b>STS Criteria</b></p> <p>52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.</p> <p><b>PCS Comments</b></p> <p>In respect of the Swap Counterparty see the following provision set forth in Clause 23.5 of the Intercreditor Agreement:</p> <p><i>&lt;&lt;23.5 Duties under the Interest Rate Swap Agreement</i></p> <p><i>(a) If the Interest Rate Swap Agreement is terminated, the Issuer covenants with the Representative of the Noteholders that it will use its best endeavours to find a suitably rated replacement interest rate swap provider willing to enter into a new transaction on terms that reflect as closely as reasonably possible the economic, legal and credit terms of the</i></p>	<p><b>Verified?</b> <b>YES</b></p>

terminated transaction under the Interest Rate Swap Agreement. On or around the end of each relevant Collection Period, the Servicer shall notify the calculation agent under the Interest Rate Swap Agreement the data and information regarding the Receivables in its possession which are relevant for the purpose of the calculation of the payments due under the Interest Rate Swap Agreement.>>.

As for the Account Bank, see "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT - Termination and resignation":

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

See also Clause 20.4(a)(Appointment of new agents or banks) of the Cash Allocation, Management and Payment Agreement.

**Article 21.8.** The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.

53	<p><b>STS Criteria</b></p> <p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See the following R&amp;W given by the Servicer in the Servicing Agreement, Schedule 4/1:</p> <p>&lt;&lt;13. Servicer's expertise: the Servicer <u>has the required expertise in servicing exposures</u> of a similar nature to the Receivables and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of the Receivables, <u>in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria</u>.&gt;&gt;</p> <p>See also the following R&amp;W in "Representations, Warranties and Undertakings of the Seller":</p> <p>&lt;&lt;(xiii) <b>Seller's expertise:</b> SFS Italia has <u>expertise in originating and servicing</u> receivables of a similar nature of the Receivables, in accordance with Article 20(10) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards;&gt;&gt;.</p> <p>In case of replacement of the Servicer, the Servicing Agreement (see Clause 13.4(a)(iv)) requires that also the successor Servicer needs to have experience in the management of exposures similar to the Receivables:</p> <p>&lt;&lt;(a) The Parties agree that the entity appointed as servicer pursuant to Clauses 13.1 (Termination) and 13.2 (Resignation) above (the Successor Servicer) shall be a bank or a company enrolled in the register held by the Bank of Italy pursuant to article 106 of the Italian Banking Act, operating in Italy and with offices in Italy: (...)</p> <p>(iv) who <u>has expertise in servicing exposures</u> of a similar nature to the Receivables and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, <u>in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria</u>.&gt;&gt;.</p>	

54	<b>STS Criteria</b>	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		
	See the following R&W given by the Servicer in the Servicing Agreement, Schedule 4/1:		
	<<13. Servicer's expertise: the Servicer has the required expertise in servicing exposures of a similar nature to the Receivables and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of the Receivables, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.		
	A description of the collection policies is contained in Schedule 2 (SERVICING PROCEDURES) of the Servicing Agreement.		
	The EBA Guidelines specify that the relevant servicer should be considered to have the requisite elements of the criterion if it is “an entity that is subject to prudential and capital regulation and supervision in the Union”.		
	SFS Italia is a bank authorised in Italy and is therefore prudentially regulated.		
	This requirement is therefore certainly met by SFS Italia, as confirmed in the statement contained above.		
<b>Article 21.9.</b> The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies			
55	<b>STS Criteria</b>	55. The transaction documentation shall set out in clear and consistent terms, 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.	<b>Verified?</b> <b>YES</b>
	<b>See point 54 above.</b>		
	PCS has reviewed the relevant documents to satisfy itself that these requirements are met.		
<b>Article 21.9.</b> The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.			
56	<b>STS Criteria</b>	56. The transaction documentation shall clearly specify the priorities of payment,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b>		
	See “4. PRIORITIES OF PAYMENTS AND CREDIT STRUCTURE” in TRANSACTION OVERVIEW and in Condition 4 of the “Terms and Conditions of the Notes”, set out in the Prospectus.		
	PCS has reviewed the relevant documents to satisfy itself that these criteria are met.		

	PCS notices that, following the occurrence of a Regulatory Call Early Redemption Date, in the absence of a Trigger Notice, the pre-enforcement PoP will apply (including for repayment of the Seller Loan – see item (i) of the Pre-Enforcement Principal Priority of Payments set out in Condition 4.2 of Terms and Conditions of the Notes).	
57	<b>STS Criteria</b> 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> By way of example and without limitation, see below the list of the main events that may have an impact on the applicable PoP: <ul style="list-style-type: none"> <li>• Sequential Redemption Event (as set out in Condition 6.7)</li> <li>• Trigger Event (as set out in Condition 10)</li> <li>• Regulatory Call Event (see definition in Terms and Conditions of the Notes)</li> <li>• Issuer Tax Event (as set out in Condition 6.3)</li> <li>• Monthly Servicing Report Delivery Failure Event (see definition in Terms and Conditions of the Notes)</li> <li>• Amortisation Event (see definition in Terms and Conditions of the Notes)</li> </ul> See also point 45 above. PCS has reviewed the relevant documents to satisfy itself that this requirement is met.	
58	<b>STS Criteria</b> 58. The transaction documentation shall clearly specify the obligation to report such events.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Disclosure of the occurrence of such events is made by means of the Inside Information and Significant Event Report, in accordance with Clause 17.4(b)(iii)(G) of the Intercreditor Agreement: <i>&lt;&lt;(G) the occurrence of any of the following events: (a) Sequential Redemption Events; (b) Trigger Events; (iii) Regulatory Call Events; (iv) Issuer Tax Events; (v) Monthly Servicing Report Delivery Failure Events; and (vi) Amortisation Events;&gt;&gt;.</i> PCS notes the existence of a covenant addressing this requirement in the Transaction Documents and the Prospectus.	



59	<p><b>STS Criteria</b></p> <p>59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See point 58 above and the definition of “Inside Information and Significant Event Report”, which requires including in the report the events implying changes to the Priority of Payments.</p> <p>This is a future event. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.</p> <p>However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement.</p> <p>PCS notes the existence of a covenant addressing this requirement in the Transaction Documents and the Prospectus.</p>	

**Article 21.10.** The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

60	<p><b>STS Criteria</b></p> <p>60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See “Rules of the Organisation of the Noteholders” included as an Exhibit to the Terms and Conditions of the Notes.</p> <p>(a) the method for calling meetings; as for method: Article 7 (<i>Convening of Meeting</i>), Article 11 (<i>Adjournment for want of quorum</i>), Article 12 (<i>Adjourned Meeting</i>).</p> <p>(b) the maximum timeframe for setting up a meeting: Article 8 (<i>Notice</i>). See also Article 11(b) (<i>Adjournment for want of quorum</i>), Article 12 (<i>Adjourned Meeting</i>).</p> <p>(c) the required quorum: Article 10 (<i>Quorum for conducting business at Meetings and passing resolutions</i>). See also the definition of “Relevant Fraction”.</p> <p>(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; Article 15 (<i>Passing of ordinary resolution or extraordinary resolution</i>). See also the definitions of “Ordinary Resolution”, “Extraordinary Resolution” and Relevant Fraction”.</p> <p>(e) where applicable, a location for the meetings which should be in the EU: Article 8 (<i>Notice</i>), Article 11 (<i>Adjournment for want of quorum</i>), Article 12 (<i>Adjourned Meeting</i>) for adjourned meetings.</p> <p>Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is quite vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion.</p> <p>PCS has reviewed the underlying documents (particularly, the Rules of the Organisation of the Noteholders) to ascertain that all the five requirements above are indeed present.</p>	

**Article 21.10.** The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

61	<b><u>STS Criteria</u></b> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<b><u>Verified?</u></b> <b>YES</b>
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**PCS Comments**

See point 50 above:

For the Representative of the Noteholders (that performs fiduciary activities on behalf of the noteholders and other issuer creditors) see the “Rules of the Organisation of the Noteholders”, Article 27 (*Duties and powers*), and Article 30 (*Exercise of rights under the Security Document*).

A detailed set of duties and powers of the Representative of the Noteholders in a post enforcement scenario are set out in the Intercreditor Agreement.

**Article 22.1.** The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.

62	<b>STS Criteria</b> 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Representations of compliance with this provision are contained in §(18) of General Information, and, on similar terms, in Clause 17.4(b) of the Intercreditor Agreement: <i>&lt;&lt;18. Pre-pricing information</i> <i>As to pre-pricing information, under the Intercreditor Agreement the Seller has confirmed that it has been, as prospective holder of the Junior Notes, in possession of, and it has made available to the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes, before pricing, (i) through the Securitisation Repository, the information under point (a) of the first subparagraph of Article 7(1) upon request and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, (ii) through the section of this Prospectus headed "The Aggregate Portfolio" and the Securitisation Repository, data on static and historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, covering a period of at least 5 (five) years, pursuant to Article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Prospectus, www.bloomberg.com) and Intex (being, as at the date of this Prospectus, www.intex.com), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.&gt;&gt;.</i> The Prospectus contains the required historical data.	
63	<b>STS Criteria</b> 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See statements in this respect contained in the sections mentioned in point 62 above.	
64	<b>STS Criteria</b> 64. Those data shall cover a period no shorter than five years.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> See statements in this respect contained in the sections mentioned in point 62 above.	

**Article 22.2.** A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.

65	<p><b><u>STS Criteria</u></b></p> <p>65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See the following statement in “THE AGGREGATE PORTFOLIO – Pool Audit”:</p> <p>&lt;&lt;<b>Pool Audit</b></p> <p><i>Pursuant to Article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification has been made, prior to the Issue Date, by an appropriate and independent party in respect of the provisional Initial Portfolio as at 18 March 2025 and no significant adverse findings have been found. Such verifications have confirmed: (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of the provisional Initial Portfolio as at 18 March 2025; (ii) the accuracy of the data relating to the Initial Portfolio disclosed in the paragraph entitled “Stratification Tables” below; and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Seller in relation to the Initial Portfolio with certain Eligibility Criteria that are able to be tested prior to the Issue Date.&gt;&gt;.</i></p> <p>As at the date of this provisional checklist, PCS received copies of two reports regarding the preliminary portfolio, as mentioned above.</p> <p>The external verification was carried out by an independent party and no material discrepancies were found.</p>	
66	<p><b><u>STS Criteria</u></b></p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See statements in this respect contained in the section mentioned in comments to point 65 above.</p>	

**Article 22.3.** The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

<p><b>67</b> <b>STS Criteria</b></p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<p><b>Verified?</b> <b>YES</b></p>
<p><b>PCS Comments</b></p> <p>Representations of compliance with this provision are contained in §(18) of “General information” where it is stated as follows:</p> <p><i>&lt;&lt;As to pre-pricing information, under the Intercreditor Agreement the Seller has confirmed that it has been, as prospective holder of the Junior Notes, in possession of, and it has made available to the competent authorities referred to in Article 29 of the EU Securitisation Regulation and the potential investors in the Notes, before pricing, (i) through the Securitisation Repository, the information under point (a) of the first subparagraph of Article 7(1) upon request and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, (ii) through the section of this Prospectus headed “The Aggregate Portfolio” and the Securitisation Repository, data on static and historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, covering a period of at least 5 (five) years, pursuant to Article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Prospectus, <a href="http://www.bloomberg.com">www.bloomberg.com</a>) and Intex (being, as at the date of this Prospectus, <a href="http://www.intex.com">www.intex.com</a>), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to Article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria..&gt;&gt;.</i></p> <p>PCS was also provided with excel files prepared by running the model according to some sample scenarios as evidence of compliance with this requirement.</p>	
<p><b>68</b> <b>STS Criteria</b></p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<p><b>Verified?</b> <b>YES</b></p>
<p><b>PCS Comments</b></p> <p>See the covenant in Clause 17.4(c) of the Intercreditor Agreement:</p> <p><i>&lt;&lt;(c) The Seller hereby undertakes to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through the website of Bloomberg (being, as at the date of this Agreement, <a href="http://www.bloomberg.com">www.bloomberg.com</a>) and Intex (being, as at the date of this Agreement, <a href="http://www.intex.com">www.intex.com</a>), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. The Seller undertakes to update the above liability cash flow model in case of significant changes of the information on the Securitisation contained thereunder.&gt;&gt;.</i></p>	

**Article 22.4.** In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).

By way of derogation from the first subparagraph, originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.

69	<p><b>STS Criteria</b></p> <p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p>(...) originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>This requirement does apply to this Transaction since the underlying exposures are car loans.</p> <p>See Intercreditor Agreement Clause 17.4(b)(i):</p> <p><i>&lt;&lt;(i) at its own expenses, prepare and deliver, through publication on the Securitisation Repository, to the Issuer, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Arranger, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent, the Sec Reg Asset Level Report based on the information available to it and on certain information contained in the latest Investor Report, and containing all the information set forth under Article 7(1)(a) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Auto Loan, if available);&gt;&gt;.</i></p> <p>PCS notes that a covenant to disclose environmental data, when available, is contained in the Intercreditor Agreement, and received confirmation that environmental data will be included in the Loan-by Loan documentation where available.</p> <p>As to the publication of data on the principal adverse impacts on sustainability factors, PCS was informed that, for the time being, no specific publication is envisaged.</p>	

**Article 22.5.** The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. 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.

70	<p><b>STS Criteria</b></p> <p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>Representations of compliance with this provision are contained in “General Information”, where it is stated as follows:</p> <p><b>&lt;&lt;17. Transparency requirements under the EU Securitisation Regulation</b></p>	

*Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.>>.*

See, more in particular, Clause 17.3(c) of the Intercreditor Agreement:

<<17.3 Appointment of the Seller as Reporting Entity

*(a) The Issuer and the Seller hereby agree that the Seller is designated and will act as Reporting Entity in accordance with and for the purposes of article 7(2), of the EU Securitisation Regulation. In addition, each of the Issuer and the Seller agrees that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation.*

*(b) The Seller hereby accepts such appointment under Clause 17.3(a) above and agrees to act as Reporting Entity and perform any related duty in accordance with Article 7(2) of the EU Securitisation Regulation.*

*(c) The Parties hereby acknowledge that (a) the Seller, in its capacity as Reporting Entity, shall be responsible for complying with article 7 of the EU Securitisation Regulation pursuant to the Transaction Documents (b) the Seller or any other party under this Agreement or any other Transaction Documents is under no obligation to comply and deal with the transparency requirements provided for by the UK Securitisation Framework.>>.*

**Article 22.5.** The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. 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.

71	<b><u>STS Criteria</u></b> 71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	<b><u>Verified?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> Representations of compliance with this provision are contained in Clause 17.4(a) of the Intercreditor Agreement, where it is stated as follows: <<17.4 EU Securitisation Regulation's transparency and reporting requirements <i>(a) As to pre-pricing information, the Reporting Entity hereby confirms that it has made available to the competent authorities referred to in article 29 of the EU Securitisation Regulation and the potential investors in the Notes, before pricing, (i) through the Securitisation Repository, the information under point (a) of the first subparagraph of article 7(1) upon request and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) through the section of the Prospectus headed "The Aggregate Portfolio" and the Securitisation Repository, data on static and historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, covering a period of at least 5 (five) years, pursuant to article 22(1) and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Agreement, <a href="http://www.bloomberg.com">www.bloomberg.com</a>) and Intex (being, as at the date of this Agreement, <a href="http://www.intex.com">www.intex.com</a>), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.&gt;&gt;.</i>	

72	<b>STS Criteria</b> 72. 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Representations of compliance with this provision are contained in Clause 17.4(a) of the Intercreditor Agreement, where it is stated as follows: <<17.4 EU Securitisation Regulation's transparency and reporting requirements (a) As to pre-pricing information, the Reporting Entity hereby confirms that it has made available to the competent authorities referred to in article 29 of the EU Securitisation Regulation and the potential investors in the Notes, before pricing, (i) through the Securitisation Repository, the information under point (a) of the first subparagraph of article 7(1) upon request and the information and documents, in draft form, under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, (ii) through the section of the Prospectus headed "The Aggregate Portfolio" and the Securitisation Repository, data on static and historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, covering a period of at least 5 (five) years, pursuant to article 22(1) and the EBA Guidelines on STS Criteria, and (iii) through the website of Bloomberg (being, as at the date of this Agreement, www.bloomberg.com) and Intex (being, as at the date of this Agreement, www.intex.com), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.	

**Article 22.5.** The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.

73	<b>STS Criteria</b> 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> Representations of compliance with this provision are contained in §(10) of "General Information", where it is stated as follows: <<(…) <u>Copies of the Transaction Documents (other than the Subscription Agreements) and the Prospectus will be available also at the Securitisation Repository, at the latest 15 days after the Issue Date and after the relevant Payment Date in case of transfer of any Additional Portfolio, as the case may be. On this website also a full description of the Additional Portfolios purchased by the Issuer in the context of the Securitisation will be made available.</u> >>. <p>This criterion requires document disclosure within 15 days of closing and, therefore, it is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, or if the relevant documents are subsequently removed and not be otherwise available, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS notices that there is a covenant on the part of the Originator to comply with this requirement.</p>	

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:



(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;

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74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(a) information on the underlying exposures on a quarterly basis,

**Verified?****YES****PCS Comments**

Representations of compliance with this provision are contained in "General Information", where it is stated as follows:

<<17. Transparency requirements under the EU Securitisation Regulation

*Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.>>.*

See also Clause 17.4(b)(i) of the Intercreditor Agreement:

<<17.4 EU Securitisation Regulation's transparency and reporting requirements

*(b) As to post closing information, the Reporting Entity hereby undertakes to the Issuer, the Arranger and the Representative of the Noteholders, that it will, on a monthly basis within each Sec Reg Report Date (save as provided below):*

*(i) at its own expenses, prepare and deliver, through publication on the Securitisation Repository, to the Issuer, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in article 29 of the EU Securitisation Regulation, the Arranger, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent, a report on the basis of the form provided under the applicable Regulatory Technical Standards (Annex VI), (the Sec Reg Asset Level Report) based on the information available to it and on certain information contained in the latest Investor Report, and containing all the information set forth under article 7(1)(a) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Auto Loan, if available);>>.*

See also the following statement in "RISK RETENTION AND TRANSPARENCY REQUIREMENTS - Transparency Requirements":

<<(...) (b) as to post closing information, under Intercreditor Agreement, the Seller has undertaken to the Issuer, the Arranger and the Representative of the Noteholders, that it will, on a monthly basis within each Sec Reg Report Date (save as provided below):

*(i) at its own expenses, prepare and deliver, through publication on the Securitisation Repository, to the Issuer, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Arranger, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent, the Sec Reg Asset Level Report based on the information available to it and on certain information contained in the latest Investor Report, and containing all the information set forth under Article 7(1)(a) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards (including, inter alia, the information related to the environmental performance of the assets financed by the relevant Auto Loan, if available);>>.*

See also the definition of Sec Reg Asset Level Report:

**<<Sec Reg Asset Level Report** means the report required to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Investor Report, through publication on the Securitisation Repository, to the Issuer, the Arranger, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent pursuant to the Intercreditor Agreement.>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

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75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

**Verified?**  
**YES**

#### **PCS Comments**

Representations of compliance with this provision are contained in "General Information", where it is stated as follows:

**<<17. Transparency requirements under the EU Securitisation Regulation**

*Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.>>.*

See also the statement in §10 of Section “GENERAL INFORMATION” of the Prospectus, providing details on the documents available for inspection after closing, and in particular, that:

*<<Copies of the Transaction Documents (other than the Subscription Agreements) and the Prospectus will be available also at the Securitisation Repository, at the latest 15 days after the Issue Date and after the relevant Payment Date in case of transfer of any Additional Portfolio, as the case may be. On this website also a full description of the Additional Portfolios purchased by the Issuer in the context of the Securitisation will be made available.>>.*

No start-up loan agreement or liquidity facility agreement is entered into in the context of this transaction.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ analysis in comments to point 73 above.

**Article 7.1.** That underlying documentation shall include a detailed description of the priority of payments of the securitisation;

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76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;

**Verified?**

**YES**

**PCS Comments**

See “Terms and Conditions of the Notes” – Condition 4 (*Order of Priority*).

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:

- (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
- (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;
- (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
- (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;

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77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:

- (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
- (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;
- (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
- (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;

**Verified?**  
**YES**

**PCS Comments**

The Prospectus is compliant with the Prospectus Regulation (see statement on cover page):

<<Application has been made to the Commission de surveillance du secteur financier (CSSF), in its capacity as competent authority under the Luxembourg law dated 16 July 2019 relating to prospectuses for securities (the Luxembourg Law), for the approval of this Prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as subsequently amended and supplemented from time to time, the Prospectus Regulation) and relevant implementing measures in Luxembourg and Article 6(4) of the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for the Rated Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. (...)>>.

This requirement is therefore not applicable.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(d) in the case of STS securitisations, the STS notification referred to in Article 27;

78	<p><b>STS Criteria</b></p> <p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See statement on cover page that:</p> <p><i>&lt;&lt;The Securitisation is intended to qualify as a simple, transparent and standardised securitisation (STS-Securitisation) within the meaning of Article 18 of the Regulation (EU) no. 2402 of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardise securitisation (the EU Securitisation Regulation). To this extent, the Securitisation has been structured so as to meet the requirements of Articles 19 to 22 of the EU Securitisation Regulation (the EU STS Requirements). On or about the Issue Date, the Seller will notify ESMA that the Securitisation meets the EU STS Requirements pursuant to Article 27(1) of the EU Securitisation Regulation (the STS Notification), so as to allow the Securitisation to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. Pursuant to Article 27(2) of the EU Securitisation Regulation, the STS Notification includes an explanation by the Seller of how each of the EU STS Requirements has been complied with in the Securitisation. The STS Notification will be available for download on the ESMA website (being, as at the date of this Prospectus, <a href="https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre">https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre</a>) (the ESMA STS Register). (...)&gt;&gt;.</i></p> <p>It is also noted that pursuant to Clause 17.3(a) of the Intercreditor Agreement: <i>&lt;&lt;(…) In addition, each of the Issuer and the Seller agrees that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation. (...)&gt;&gt;.</i></p> <p>See also the statements contained in the Prospectus as to activities to be completed “before pricing”, which include those under Article 7(1)(d) of the Securitisation Regulation, i.e. making the STS notification available before pricing.</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ analysis in comments to point 73 above.</p>	

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

- (i) all materially relevant data on the credit quality and performance of underlying exposures;
- (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;
- (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

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**STS Criteria**

79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

- (i) all materially relevant data on the credit quality and performance of underlying exposures;
- (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties,
- (ii)...and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;
- (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

**Verified?**  
**YES**

**PCS Comments**

Representations of compliance with this provision are contained in “General Information”, where it is stated as follows:

<<17. *Transparency requirements under the EU Securitisation Regulation*

*Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.>>.*

See also the following statement in “RISK RETENTION AND TRANSPARENCY REQUIREMENTS - Transparency Requirements”:

<<(…) (b) *as to post closing information, under Intercreditor Agreement, the Seller has undertaken to the Issuer, the Arranger and the Representative of the Noteholders, that it will, on a monthly basis within each Sec Reg Report Date: (...)*

*(ii) prepare and deliver (directly or through the Calculation Agent or other agents), in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, the Sec Reg Investor Report. In particular, the Seller:*

*(1) within 10 (ten) Business Days prior to each Sec Reg Report Date, has undertaken to deliver to the Calculation Agent, the Servicer, the Account Bank, the Arranger, the Representative of the Noteholders and the Paying Agent via email all the information available to it for the purposes of allowing the Calculation Agent to produce – on behalf of the Reporting Entity – prior to each Sec Reg Report Date, in accordance with the Cash Allocation, Management and Payment Agreement, the Sec Reg Investor Report. In providing such information, the Seller has undertaken to comply with the provisions of Article 7(1)(e) of the EU Securitisation Regulation and the relevant Regulatory Technical Standards; and*

(2) has undertaken, upon the receipt of the Sec Reg Investor Report from the Calculation Agent pursuant to the Cash Allocation, Management and Payment Agreement, to make available the Sec Reg Investor Report to the Noteholders, the prospective transferees of the Notes and the competent authorities referred to in Article 29 of the EU Securitisation Regulation on the Securitisation Repository; (...)».

See also the definition of Sec Reg Investor Report:

<<**Sec Reg Investor Report** means the report required to be issued by the Calculation Agent, on behalf of the Seller, as Reporting Entity, on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the Securitisation Repository in the form set out in the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Asset Level Report.>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

## 80 STS Criteria

80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

**Verified?**  
**YES**

### PCS Comments

Representations of compliance with this provision are contained in "General Information", where it is stated as follows:

#### <<17. Transparency requirements under the EU Securitisation Regulation

*Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that SFS Italia is designated as Reporting Entity, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.*>>.

See also the following statement in "RISK RETENTION AND TRANSPARENCY REQUIREMENTS - Transparency Requirements":

<<(...) (b) as to post closing information, under Intercreditor Agreement, the Seller has undertaken to the Issuer, the Arranger and the Representative of the Noteholders, that it will, on a monthly basis within each Sec Reg Report Date: (...)

(iii) in compliance with Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation, notify through the Inside Information and Significant Event Report, prepared by the Calculation Agent on behalf of the Seller, on the basis of the form provided under the applicable Regulatory Technical Standards (Annex XIV), without delay upon the occurrence of the relevant event or the awareness of the relevant information and in any case also within each Sec Reg Report Date, and make available on the Securitisation Repository, to the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation and prospective Noteholders any inside information relating to the Securitisation that the Reporting Entity is obliged to make public



in accordance with Article 17 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation (if applicable) and any significant event relating to the Securitisation, including, without limitation:

- (1) a material breach of the obligations provided for in any of the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (2) a change in the structural features that can materially impact the performance of the Securitisation;
- (3) a change in the risk characteristics of the Securitisation or of the Receivables that can materially impact the performance of the Securitisation;
- (4) the Securitisation ceasing to meet the STS Requirements or the competent authorities having taken remedial or administrative actions;
- (5) any material amendment to the Transaction Documents;
- (6) any material changes from prior underwriting standards, including explanation of the purpose of the change;
- (7) the occurrence of any of the following events: (a) Sequential Redemption Event; (b) Trigger Events; (iii) Regulatory Call Events; (iv) Issuer Tax Events; (v) Monthly Servicing Report Delivery Failure Events; and (vi) Amortisation Events; >>.

See also the definition of:

<<**Inside Information and Significant Event Report** means the report required to be delivered pursuant to Articles 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation by the Seller pursuant to the Intercreditor Agreement.>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation;
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

## 81 STS Criteria

81. (g) where point (f) does not apply, any significant event such as:

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;

**Verified?**  
**YES**



- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

**PCS Comments**

See comments to point 80 above and the references to the letter (g) of article 7, paragraph 1 in the statements mentioned thereunder.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

**Article 7.1.** The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (...ABCP provisions)

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**STS Criteria**

82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (...ABCP provisions)

**Verified?**  
**YES**

**PCS Comments**

See the following definitions:

*<<Sec Reg Asset Level Report means the report required to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Investor Report, through publication on the Securitisation Repository, to the Issuer, the Arranger, the Representative of the Noteholders, the Calculation Agent, the perspective noteholders, the Noteholders, the competent authorities referred to in Article 29 of the EU Securitisation Regulation, the Servicer, the Corporate Servicer, the Account Bank and the Paying Agent pursuant to the Intercreditor Agreement.>>*

*<<Sec Reg Investor Report means the report required to be issued by the Calculation Agent, on behalf of the Seller, as Reporting Entity, on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement through publication on the Securitisation Repository in the form set out in the Cash Allocation, Management and Payment Agreement and to be delivered by the Seller, as Reporting Entity, simultaneously with the Sec Reg Asset Level Report.>>*

*<<Sec Reg Report Date means the date falling within one month following each relevant Payment Date, provided that the first Sec Reg Report Date will fall (...).>>>>*

**Article 7.1.** Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay

When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.

In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.

Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

<b>83</b>	<p><b><u>STS Criteria</u></b></p> <p>83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See the statement in “RISK RETENTION AND TRANSPARENCY REQUIREMENTS - Transparency Requirements” quoted in comments to point 80 above.</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS’ analysis in comments to point 73 above.</p>	

**Article 7.2.** The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

<b>84</b>	<p><b><u>STS Criteria</u></b></p> <p>84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p>See the following statement in “RISK RETENTION AND TRANSPARENCY REQUIREMENTS - Transparency Requirements”:</p>	

	<p>&lt;&lt;(…) Pursuant to the Intercreditor Agreement the Seller has been designated as Reporting Entity in accordance with and for the purposes of Article 7(2) of the EU Securitisation Regulation. In such capacity, the Seller will deal and comply with the transparency requirements provided for by the EU Securitisation Regulation under the Securitisation. In particular: (…)&gt;&gt;.</p> <p>See also Clause 17.3 of the Intercreditor Agreement, quoted in comments to point 70 above.</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.</p>	
85	<p><b>STS Criteria</b></p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>The Originator is the "Reporting Entity": see definition of "Reporting Entity".</p> <p>&lt;&lt;<b>Reporting Entity</b> means the Seller or any other entity acting, from time to time, as reporting entity pursuant to Article 7(2) of the EU Securitisation Regulation and the Intercreditor Agreement, and any of its permitted successors or transferees.&gt;&gt;.</p> <p>See also the following statement contained in "General Information":</p> <p>&lt;&lt;<b>17. Transparency requirements under the EU Securitisation Regulation</b></p> <p><i>Under the Intercreditor Agreement, the parties thereto have acknowledged that the Seller shall be responsible for compliance with Article 7 of the EU Securitisation Regulation. Each of the Issuer and the Seller has agreed that <u>SFS Italia is designated as Reporting Entity</u>, pursuant to and for the purposes of Article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as applicable, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation by making available the relevant information and documents through the Securitisation Repository. In addition, each of the Issuer and the Seller have agreed that the Seller is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of Article 27(1) of the EU Securitisation Regulation.&gt;&gt;.</i></p> <p>As for the securitisation repository, at least initially, it is European DataWarehouse. It is noted that the Prospectus contains indication that a different securitisation repository can be appointed, with subject to notice to the Noteholders.</p> <p>All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.</p>	