

# CONSUMER ONE S.R.L.

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

€2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028

Issue Price: 100 per cent

The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Senior Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to €2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028 (the "Senior Notes") which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. In connection with the issue of the Senior Notes, the Issuer will also issue the €1,236,943,620 Class B Asset Backed Variable Return Notes due 2028 (the "Junior Notes"). No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor this Prospectus will be approved by the Central Bank of Ireland in relation to the Junior Notes. The Notes will be issued on 1 August 2011. This document constitutes a "Prospectus" for the purpose of the listing rules of the Irish Stock Exchange and article 5.3 of the Prospectus Directive and a "Prospetto Informativo" for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time.

The principal source of payment of interest on the Notes and of interest and Variable Return on the Junior Notes and of repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of personal loan agreements between UniCredit S.p.A. and certain Debtors and purchased by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement. The Issuer has purchased the Initial Portfolio on 8 July 2011. During the Revolving Period, if the Originator offers for sale Further Portfolios and if certain conditions are met the Issuer will use collections received from the Master Portfolio to purchase Further Portfolios of Receivables from the Originator. In addition, the Issuer has purchased and may purchase from the Originator certain Future Receivables deriving from the same Loan Agreements out of which the Receivables arise; upon coming into existence, such Future Receivables will, by operation of Italian law, be automatically transferred to the Issuer.

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

Interest on the Notes will be payable by reference to successive Interest Periods. Interest on the Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable in arrear in Euro on 30 November 2011 and thereafter quarterly in arrears on the last calendar day of February, May, August and November in each year (or, if any such day is not a Business Day, on the immediately preceding Business Day). The rate of interest applicable to the Notes for each Interest Period shall be the rate offered in the Euro-Zone inter-bank market for three month deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where a linear interpolated interest rate based on 3 and 4 month deposits in Euro will be substituted for three month Euribor) (as determined in accordance with Condition 7 (*Interest*)), plus the following margins: (a) Class A Notes: a margin of 1.25 per cent per annum; and (b) Class B Notes: a margin of 5.00 per cent per annum.

The Senior Notes are expected, on issue, to be rated "Aaa (sf)" by Moody's and "AAA (sf)" by DBRS. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** As of the date hereof, each of the Rating Agencies is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

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

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Account Bank, the Cash Manager, the Cash Reserve Subordinated Loan Provider, the Renegotiation Reserve Subordinated Loan Provider, the Set-Off Reserve Subordinated Loan Provider, the Swap Counterparty, the Representative of the Noteholders, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Custodian Bank, the Corporate Servicer, the Listing Agent, the Sole Arranger, the Sole Lead Manager or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of the Financial Laws Consolidation Act and the regulation issued jointly by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* on 22 February 2008, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, purchase and cancellation*)). Unless previously redeemed in full in accordance with the Conditions, the Notes will be redeemed on the Final Maturity Date. Save as provided in the Conditions, the Notes will start to amortise on the Payment Date falling in February 2013, subject to there being sufficient Issuer Available Funds and in accordance with the Priority of Payments. No payments of principal in respect of any of the Notes will be made to the Noteholders before the Payment Date falling in February 2013, save as provided in the Conditions.

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

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

*Sole Arranger*

**UNICREDIT BANK AG, LONDON BRANCH**

*Sole Lead Manager*

**UNICREDIT BANK AG, MILAN BRANCH**

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

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it takes responsibility is true and does not omit anything likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.*

*UniCredit S.p.A. has provided the information under the sections "The Master Portfolio", "Regulatory Disclosure and Retention Undertaking", "The Originator, the Servicer, the Account Bank and the Swap Counterparty", "The Credit Policy" and "The Collection Policy" and any other information contained in this Prospectus relating to itself, the Receivables and the Loan Agreements and, together with the Issuer, accepts responsibility for the information contained in those sections. To the best of the knowledge and belief of UniCredit S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

*UniCredit Bank AG, London Branch has provided the information under the section entitled "The Calculation Agent" and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge and belief of UniCredit Bank AG, London Branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

*BNP Paribas Securities Services has provided the information under the section entitled "The Custodian Bank and the Principal Paying Agent" and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge and belief of BNP Paribas Securities Services (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Sole Arranger, the Sole Lead Manager, the Representative of the Noteholders, the Issuer, the Quotaholder, UniCredit S.p.A. (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or UniCredit S.p.A. or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

*The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio will be segregated from all other assets of the Issuer and amounts*

*deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Account Bank, the Cash Manager, the Cash Reserve Subordinated Loan Provider, the Renegotiation Reserve Subordinated Loan Provider, the Set-Off Reserve Subordinated Loan Provider, the Swap Counterparty, the Representative of the Noteholders, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Custodian Bank, the Corporate Servicer and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts deriving from the Receivables will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as set out in Condition 6 (Priority of Payments).*

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

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

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

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

*All references in this Prospectus to "Italy" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to "billions" are to thousands of millions.*

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

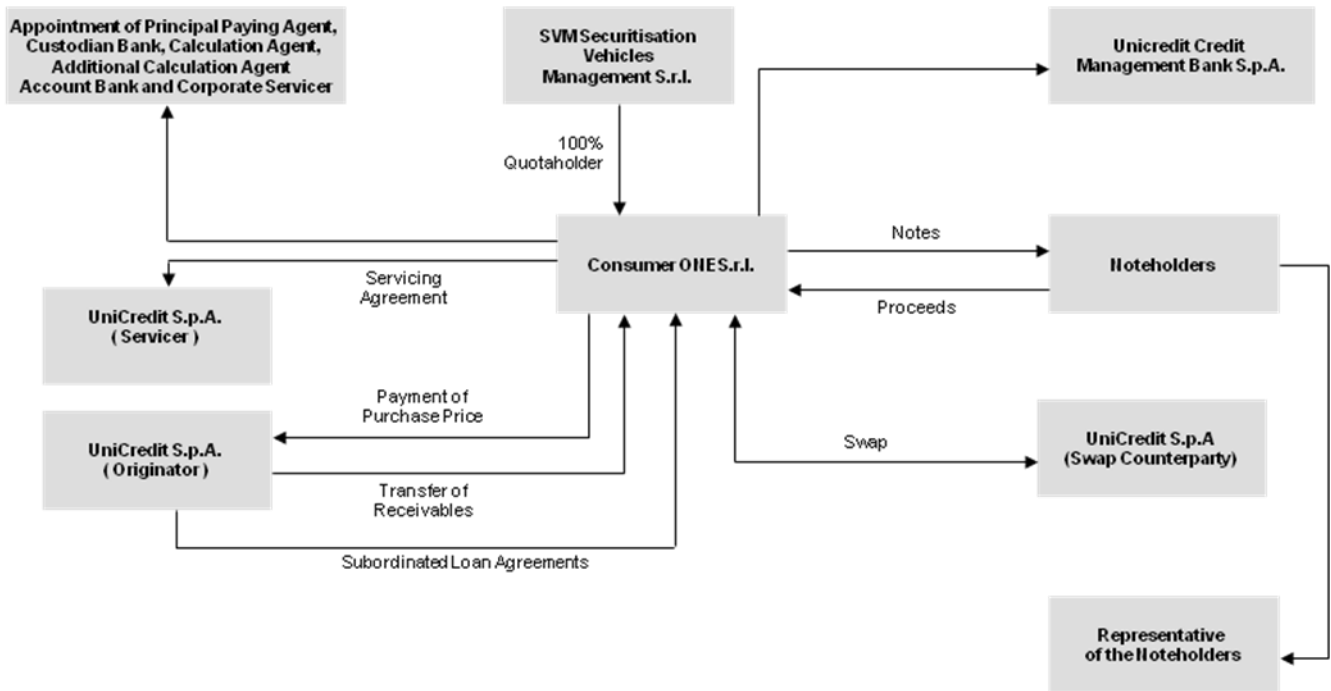
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## TRANSACTION DIAGRAM

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



## TRANSACTION OVERVIEW

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

### 1. THE PRINCIPAL PARTIES

<b>Issuer</b>	<b>CONSUMER ONE S.R.L.</b> , a <i>società a responsabilità limitata</i> with sole quotaholder incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000.00 fully paid up, having its registered office is at Piazzetta Monte, 1, 37121, Verona, Italy, fiscal code and enrolment in the companies' register of Verona number 04362530265 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.
<b>Originator</b>	<b>UNICREDIT S.P.A.</b> , a bank incorporated as a joint stock company ( <i>società per azioni</i> ) organised under the laws of the Republic of Italy, registered with the companies' register of Rome under number 00348170101, fiscal code and VAT number 00348170101, parent company of the " <i>Gruppo Bancario UniCredit</i> ", registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under number 02008.01, adhering to <i>Fondo Interbancario di Tutela dei Depositi</i> , having its registered offices at Via A. Specchi, 16, 00186 Rome, Italy, and an equity capital of €9,649,245,346.50.
<b>Servicer</b>	<b>UNICREDIT S.P.A.</b> The Servicer will act as such pursuant to the Servicing Agreement.
<b>Representative of the Noteholders</b>	<b>SECURITISATION SERVICES S.P.A.</b> , a company incorporated under the laws of the Republic of Italy as a <i>società per azioni</i> , share capital of euro 1,595,055.00 fully paid-up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso number 03546510268, currently registered under number 31816 in the general register and in the special register held by the Bank of Italy pursuant to, respectively, articles 106 and 107 of the Consolidated Banking Act, subject to the activity of direction and coordination ( <i>soggetta all'attività di direzione e coordinamento</i> ) pursuant to article 2497 of the Italian civil code of Finanziaria Internazionale Holding S.p.A. The Representative of the Noteholders will act as such pursuant to the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Deed of Charge, the Intercreditor Agreement and the Mandate Agreement.

<b>Calculation Agent</b>	<b>UNICREDIT BANK AG</b> , a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares ( <i>aktiengesellschaft</i> ), registered with the commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the UniCredit banking group and having its head office at Kardinal-Faulhaber-Strasse 1, D-80333 Munich, Federal Republic of Germany, acting through its London branch (registered as a foreign branch with The Companies House of England and Wales under number BR001757) with offices at Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Additional Calculation Agent</b>	<b>CAPITAL AND FUNDING SOLUTIONS S.R.L.</b> , a <i>società a responsabilità limitata</i> with a sole quotaholder incorporated under the laws of the Republic of Italy, quota capital of euro 10,000 fully paid up, having its registered office at Via Papa Giovanni XXIII, 52, 24061 Albano S. Alessandro, Bergamo, Italy, fiscal code and enrolment in the companies' register of Bergamo number 03560990164. The Additional Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Account Bank</b>	<b>UNICREDIT S.P.A.</b> The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Cash Manager</b>	<b>UNICREDIT S.P.A.</b> The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Principal Paying Agent</b>	<b>BNP PARIBAS SECURITIES SERVICES</b> , a company incorporated under the laws of the Republic of France as a <i>société en commandite par actions</i> , having its registered office at 3, Rue D'Antin, 75002 Paris, France, acting through its Milan branch with offices at Via Ansperto, 5, 20123 Milan, Italy. The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Custodian Bank</b>	<b>BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH.</b> The Custodian Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
<b>Cash Reserve Subordinated Loan Provider</b>	<b>UNICREDIT S.P.A.</b> , acting through its London branch with offices at Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom. The Cash Reserve Subordinated Loan Provider will act as such pursuant to the Cash Reserve Subordinated Loan Agreement.



<b>Renegotiation Reserve Subordinated Loan Provider</b>	<b>UNICREDIT S.P.A., LONDON BRANCH.</b> The Renegotiation Reserve Subordinated Loan Provider will act as such pursuant to the Renegotiation Reserve Subordinated Loan Agreement.
<b>Set-Off Reserve Subordinated Loan Provider</b>	<b>UNICREDIT S.P.A., LONDON BRANCH.</b> The Set-Off Reserve Subordinated Loan Provider will act as such pursuant to the Set-Off Reserve Subordinated Loan Agreement.
<b>Swap Counterparty</b>	<b>UNICREDIT S.P.A.</b> The Swap Counterparty will act as such pursuant to the Swap Agreement.
<b>Corporate Servicer</b>	<b>UNICREDIT CREDIT MANAGEMENT BANK S.P.A.,</b> a bank incorporated under the laws of the Republic of Italy as a <i>società per azioni</i> with sole shareholder, share capital of euro 41,280,000 fully paid up, having its registered office at Piazzetta Monte 1, 37121 Verona, Italy, fiscal code and enrolment in the companies' register of Verona number 00390840239, registered in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under number 10639.3 and in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 02008.01, a company adhering to <i>Fondo Interbancario di Tutela dei Depositi</i> and subject to <i>attività di direzione e coordinamento</i> of UniCredit S.p.A. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
<b>Quotaholder</b>	<b>SVM SECURITISATION VEHICLES MANAGEMENT S.R.L.,</b> a company incorporated under the laws of the Republic of Italy as a <i>società a responsabilità limitata</i> , quota capital of euro 30,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso number 03546650262.
<b>Sole Arranger</b>	<b>UNICREDIT BANK AG, LONDON BRANCH.</b>
<b>Sole Lead Manager</b>	<b>UNICREDIT BANK AG,</b> acting through its Milan branch with offices at Via Tommasi Grossi, 10, 20121 Milan, Italy.
<b>Listing Agent</b>	<b>BNP PARIBAS SECURITIES SERVICES,</b> acting through its Luxembourg branch with offices at 33 Rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.

## 2. THE PRINCIPAL FEATURES OF THE NOTES

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
<b>Senior Notes</b>	€2,956,200,000 Class A Asset Backed Floating Rate Notes due

2028;

**Junior Notes**

€1,236,943,620 Class B Asset Backed Variable Return Notes due 2028.

**Issue price**

The Notes will be issued at the following percentages of their principal amount:

<i>Class</i>	<i>Issue Price</i>
Class A	100 per cent
Class B	100 per cent

**Interest on the Notes**

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the following margins above Euribor for three month deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where an interpolated interest rate based on 3 and 4 month deposits in Euro will be substituted for three month Euribor):

Class A: 1.25 per cent per annum;

Class B: 5.00 per cent per annum.

The Euribor applicable to the Notes for each Interest Period will be determined on the date falling two Target2 Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the Initial Interest Period, where the applicable Euribor will be determined two Target2 Days prior to the Issue Date).

Interest in respect of the Notes will accrue on a daily basis and will be payable in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Notes will be due on the Payment Date falling in November 2011 in respect of the period from (and including) the Issue Date to (but excluding) such date.

**Variable Return on the Junior Notes**

In addition, a Variable Return may or may not be payable on the Junior Notes on each Payment Date in accordance with the Junior Notes Conditions. The Variable Return payable on the Junior Notes on each Payment Date will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes in accordance with the applicable Priority of Payments.

**Junior Notes Conditions**

Except for the Junior Notes Conditions 3 (*Denomination*), 7 (*Interest and Variable Return*) and 8.12 (*Early redemption through*

the disposal of the Master Portfolio following full redemption of the Senior Notes), the terms and conditions of the Junior Notes are the same, *mutatis mutandis*, as the Senior Notes Conditions.

#### **Form and denomination**

The denomination of the Senior Notes and of the Junior Notes will be, respectively, €100,000 and €100,540. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of Italian legislative decree number 58 of 24 February 1998 and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

#### **Ranking, status and subordination**

In respect of the obligation of the Issuer to pay interest on the Senior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal due on the Senior Notes, payments of interest and Variable Return and repayment of principal due on the Junior Notes.

In respect of the obligation of the Issuer to pay interest on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to payments of Variable Return and repayment of principal due on the Junior Notes.

In respect of the obligation of the Issuer to pay the Variable Return on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes, to payment of interest and, up to the Junior Notes Retained Amount, repayment of principal due on the Junior Notes and in priority to payments of the Junior Notes Retained Amount due on the Junior Notes.

In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, both prior to and

following the delivery of a Trigger Notice:

- (i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest on the Senior Notes and in priority to payments of interest and Variable Return due on the Junior Notes and repayment of principal due on the Junior Notes;
- (ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and to payment of interest on the Junior Notes and in priority to the Variable Return for an amount up to the Junior Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Junior Notes Retained Amount.

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

#### **Withholding on the Notes**

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

In the event that any Notes are redeemed in whole or in part prior to the date falling eighteen months from the Issue Date, the Issuer will be obliged to pay an additional amount in Italy equal to 20 per cent of interest, Variable Return and other proceeds accrued on the redeemed Notes up to the date of early redemption.

#### **Mandatory redemption**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the Payment Date falling on the First Amortisation Payment Date and on each

Payment Date thereafter in accordance with the Senior Notes Conditions and the Junior Notes Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

**Optional redemption**

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

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

**Optional redemption in whole for taxation reasons**

Provided that no Trigger Notice has been served on the Issuer, upon the imposition, at any time, of:

- (i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or
- (ii) any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Master Portfolio to cease to be receivable by the Issuer

(including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

and subject to the Issuer:

- (a) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and
- (b) delivering, prior to the notice referred to in paragraph (a) above being given, to the Representative of the Noteholders:
  - (i) a certificate duly signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Master Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and
  - (ii) a certificate duly signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments,

the Issuer may, subject as provided in the Conditions, redeem in whole (but not in part) the Senior Notes and, to the extent the Junior Noteholder have not waived their rights in respect of the Junior Notes, in whole (or in part) the Junior Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

**Final Maturity Date**

Unless previously redeemed in full, the Notes are due to be repaid in full at their Principal Amount Outstanding on the

Final Maturity Date. The Notes, to the extent not redeemed in full on their Final Maturity Date, shall be cancelled.

### **Segregation of Issuer's Rights**

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Master Portfolio is segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Master Portfolio will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. See for further details: "*Selected Aspects of Italian Law - Ring-fencing of the assets*".

The Master Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents (but only in relation to the powers and authority needed by the Representative of the Noteholders to enforce the rights entitlements or remedies, to exercise the discretion, authorities or powers, to give the direction or make the determination in respect of which the failure has occurred), to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Master Portfolio and the Issuer's Rights. Italian law governs the delegation of such powers. In addition, security over certain rights of the Issuer arising out of certain Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge and the Deed of Charge, for the benefit of itself, the Noteholders and the Other Issuer Creditors.

### **Trigger Events**

If any of the following events occurs:

(i) *Non-payment:*

the Issuer defaults in the payment of the amount of (A) interest on the Most Senior Class of the Notes and such default is not remedied within a period of five Business Days from the due date thereof and/or (B) principal due and payable on the Most Senior Class of the Notes (to the

extent that the Issuer has sufficient Issuer Available Funds available to make such payment in accordance with the applicable Priority of Payment) and such default is not remedied within a period of fifteen Business Days from the due date thereof;

(ii) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of interest on the Most Senior Class of the Notes or principal on the Notes pursuant to (i) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(iii) *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

(iv) *Unlawfulness:*

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

then the Representative of the Noteholders may, in its absolute discretion, or shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, in each case subject to having been indemnified and/or secured to its satisfaction, serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable.

Upon the service of a Trigger Notice, (i) the Revolving Period will be immediately terminated; and (ii) the Notes of each Class shall (subject to Condition 9 (*Limited recourse and non-petition*)) become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but unpaid on any preceding Payment Date, without further action, notice or formality and all payments of principal, interest, Variable Return and other amounts due in respect of the Notes shall be made according to the order of priority set out in



Condition 6.2 and described under “*Post Trigger Notice Priority of Payments*” below and on such dates as the Representative of the Noteholders may determine.

### **Non petition**

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the Security. In particular:

- (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security;
- (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (iii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer unless a Trigger Notice has been served or an Insolvency Event has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the

Noteholders may then only proceed subject to the provisions of the Conditions; and

- (iv) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

**Limited recourse obligations of Issuer**

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

- (i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- (ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to such sums and *pro rata* with any *pari passu* sums payable to such Noteholder; and
- (iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

**The Organisation of the**

The Organisation of the Noteholders shall be established upon

**Noteholders and the Representative of the Noteholders**

and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by UniCredit Bank AG, Milan branch in the Senior Notes Subscription Agreement and by UniCredit S.p.A. in the Junior Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**Rating**

The Senior Notes are expected to be assigned the following ratings of "Aaa (sf)" by Moody's and "AAA (sf)" by DBRS, on the Issue Date.

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

As of the date hereof, each of the Rating Agencies is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

**Listing and admission to trading**

Application will be made to list the Senior Notes on the Official List of the Irish Stock Exchange and to admit the Senior Notes to trading on the Regulated Market. The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank of Ireland only approves the Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. No application will be made to list the Junior Notes on any stock exchange.

**Selling restrictions**

There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof.

See for further details section headed "*Subscription and Sale*".

**Governing Law**

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

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

**Issuer Available Funds** The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of the Interest Available Funds and the Principal Available Funds. For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Principal Accumulation Account, the Collection Account, the General Account, the Payments Account and the Cash Reserve Account.

**Interest Available Funds** The Interest Available Funds, on each Calculation Date and in respect of the immediately following Payment Date, are constituted by the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account, excluding any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (ii) without duplication of (i) above, an amount equal to the interest, yield and profit components invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (iii) all Recoveries (including, for avoidance of doubt, principal and interest components) collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;
- (iv) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;
- (v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from

any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights);

- (vi) any payment to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement, except for any Swap Collateral Excluded Amounts;
- (vii) the Cash Reserve Available Amount (if any) on the Calculation Date immediately preceding such Payment Date;
- (viii) the Interest Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the interest portion of the Renegotiated Blocked Amount relating to the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period;
- (ix) the Interest Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date;
- (x) any amount equal to any interest, yield and profit component accrued on or generated by any Eligible Investments (if any) up to the Eligible Investments Maturity Date immediately preceding such Payment Date;
- (xi) any amount allocated on such Payment Date under items *First* and *Ninth* of the Principal Priority of Payments prior to the delivery of a Trigger Notice.

**Principal Available Funds**

The Principal Available Funds are on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account;
- (ii) without duplication of (i) above, an amount equal to the principal components (including any amount not accounted for in item (i) of the definition of Interest Available Funds) invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately

preceding Eligible Investments Maturity Date;

- (iii) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and credited to the Collection Account during the immediately preceding Quarterly Collection Period;
- (iv) any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (v) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Eight* of the Interest Priority of Payments;
- (vi) all the proceeds deriving from the sale, if any, of the Master Portfolio or of individual Receivables or following the exercise of the pre-emption right, in each case in accordance with the provisions of the Transaction Documents;
- (vii) any amount set aside in the Payments Account on the immediately preceding Payment Date in accordance with clause 3.3 of the Master Receivables Purchase Agreement and not paid nor payable to the Originator upon the occurrence of the events specified in clauses 3.3.3 or 9.3.2 of the Master Receivables Purchase Agreement;
- (viii) any amount transferred from the Commingling Reserve Account (if opened) to the General Account during the immediately preceding Quarterly Collection Period in accordance with the provisions of the Transaction Documents;
- (ix) on each Payment Date falling prior to the First Amortisation Payment Date and on the First Amortisation Payment Date, the Issuer Cash Collateral standing to the credit of the Principal Accumulation Account;
- (x) the Principal Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the principal portion of the Renegotiated Blocked Amount relating to the Receivables which have

become Defaulted Receivables during the immediately preceding Quarterly Collection Period;

- (xi) the Principal Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date; and
- (xii) any amount allocated on such Payment Date under item *Seventh* of the Interest Priority of Payments;
- (xiii) following the delivery of a Trigger Notice, the amounts standing to the credit of the Expenses Account upon its closure in accordance with the Cash Allocation, Management and Payments Agreement;
- (xiv) on the Payment Date on which the Senior Notes are redeemed in full, any amounts standing to the credit of the Set-Off Reserve Account and the Renegotiation Reserve Account.

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

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

*Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

*Third*, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

*Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the

Account Bank, the Custodian Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

*Fifth*, to pay any amount due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;

*Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

*Seventh*, to transfer to the Principal Available Funds any amount paid on the preceding Payment Dates under item *First* of the Principal Priority of Payments and not yet repaid pursuant to this item;

*Eighth*, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero;

*Ninth*, to transfer to the Cash Reserve Account an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

*Tenth*, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Other Component of the Purchase Price due and payable in relation to the Existing Receivables comprised in the Initial Portfolio or, as the case may be, Further Portfolio; (B) the Other Component of the Purchase Price due and payable but which have remained unpaid on previous Payment Dates in relation to the Existing Receivables comprised in the Initial Portfolio or, as the case may be, Further Portfolio; and (C) the Other Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Eleventh*, to pay any swap termination payment due and payable to the Swap Counterparty under the Swap Agreement, other than any amount paid under item *Fifth* above;

*Twelfth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper costs and expenses (if any) due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper



costs and expenses (if any) due and payable on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper costs and expenses (if any) due and payable interest and costs (if any) due and payable on the Set-Off Reserve Subordinated Loan;

*Thirteenth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider principal due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider principal due and payable on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider principal due and payable on the Set-Off Reserve Subordinated Loan;

*Fourteenth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

*Fifteenth*, to pay the Variable Return (if any) on the Junior Notes.

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

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, to pay any amount payable under items *First* to *Sixth* (inclusive) under the Interest Priority of Payments, to the extent that the Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, during the Revolving Period, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Principal Component of the Purchase Price to be paid in relation to each Existing Receivable comprised in the Further Portfolio purchased by the Issuer on the immediately preceding Transfer Date, provided that, in the event the formalities provided for under the Master Receivables Purchase Agreement have not been complied with on such Payment Date, an amount equal to such Principal Component of the Purchase Price will be credited on the Payments Account and paid to the Originator on the Business Day immediately following the compliance of such formalities; (B) the Principal Component of the Purchase Price in relation to the Existing

Receivables comprised in Further Portfolios due and payable but which have remained unpaid on previous Payment Dates, as the case may be; and (C) the Principal Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Third*, (A) on any Payment Date prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (B) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Senior Notes outstanding on such Payment Date;

*Fourth*, following the expiry of the Revolving Period, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Principal Component of the Purchase Price due and payable in relation to the Existing Receivables comprised in Further Portfolios (including, for the avoidance of doubt, those due and unpaid on previous Payment Dates); and (B) the Principal Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Fifth*, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3.2 of the Master Receivables Purchase Agreement;

*Sixth*, unless already paid under the Interest Priority of Payments, to pay all amounts due and payable on such Payment Date under items *Eleventh*, *Twelfth* and *Thirteenth* of the Interest Priority of Payments;

*Seventh*, to pay to the Originator any amount due and payable under the Transaction Document, to the extent not already paid or payable under other items of this Priority of Payments;

*Eight*, (A) on any Payment Date prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (B) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Junior Notes outstanding on such Payment Date up to the Junior Notes Retained Amount;

*Ninth*, (A) up to but excluding the Payment Date falling after

the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full and (B) on the Payment Date falling after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full net of any amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes;

*Tenth*, on the Payment Date falling after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

**Post Trigger Notice Priority of Payments**

On each Payment Date following the delivery of a Trigger Notice and upon redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

*Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration and any indemnity amount due to any receiver appointed under the Deed of Charge and any proper costs and expenses incurred by it in connection therewith;

*Third*, if the relevant Trigger Event is not an Insolvency Event, to credit into the Expenses Account such an amount to bring

the balance of such account up to (but not in excess of) the Retention Amount;

*Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Custodian Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

*Fifth*, to pay any amount due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;

*Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof all amounts of interest due and payable on the Senior Notes on such Payment Date;

*Seventh*, (a) prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account all remaining Issuer Available Funds on such Payment Date; and (b) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Senior Notes outstanding on such Payment Date;

*Eight*, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Purchase Price (including, for the avoidance of doubt, the Other Component of the Purchase Price, if any) due and payable in relation to the Existing Receivables comprised in Further Portfolios (including, for the avoidance of doubt, those amounts due and unpaid on previous Payment Dates); and (B) the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Ninth*, to pay any swap termination payments due and payable to the Swap Counterparty under the Swap Agreement other than any amount paid under item *Fifth* above;

*Tenth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable

on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable on the Set-Off Reserve Subordinated Loan;

*Eleventh*, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3.2 of the Master Receivables Purchase Agreement;

*Twelfth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

*Thirteenth*, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

*Fourteenth*, (a) prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (b) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Junior Notes outstanding on such Payment Date up to the Junior Notes Retained Amount;

*Fifteenth*, to pay, *pari passu* and *pro rata*, the Variable Return on the Junior Notes; and

*Sixteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

#### 4. TRANSFER OF THE MASTER PORTFOLIO

##### **The Master Portfolio**

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be collections and recoveries made in respect of the Initial Portfolio purchased by the Issuer on 8 July 2011 and each Further Portfolio purchased by the Issuer pursuant to the terms of the Master Receivables Purchase Agreement.

The Initial Portfolio has been assigned and transferred and any Further Portfolio will be assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Debtors to pay amounts due under the Loan Agreements, in accordance with the Securitisation Law and subject to the terms and conditions of the Master Receivables Purchase Agreement. Sales of Further Portfolios may take place on a quarterly basis during the Revolving Period to the extent that (i) the Notes have been issued; (ii) each

of the Conditions for the Purchase of Further Portfolios is satisfied, and (iii) no Purchase Termination Notice or Trigger Notice has been served pursuant to, respectively, Condition 13 (*Purchase Termination Events*) and Condition 12 (*Trigger Events*).

The Initial Portfolio includes, and any Further Portfolio may include, Receivables which have already come into existence as at the relevant Offer Date (the “**Existing Receivables**”) and Receivables arising from additional disbursement made under the relevant Loan Agreement where permitted thereunder (the “**Future Receivables**”). The Future Receivables coming into existence, if any, will be automatically transferred to the Issuer on the relevant Arising Date (if any) under the provisions of the Master Receivables Purchase Agreement and Italian law.

The Receivables comprised in the Master Portfolio will be selected on the basis of (i) certain common objective criteria listed in Schedule 1 to the Master Receivables Purchase Agreement (the “**Common Criteria**”) which shall apply to the Initial Portfolio and to any Further Portfolio and (ii) certain further objective criteria listed in Schedule 2 to the Master Receivables Purchase Agreement (the “**Specific Criteria**”). The Specific Criteria listed in Schedule 2 to the Master Receivables Purchase Agreement are split into “Part A Specific Criteria”, which shall apply to the Initial Portfolio and “Part B Specific Criteria”, which supplement the Common Criteria at the option of the Originator and the Issuer in respect of any Further Portfolio. Pursuant to the Master Receivables Purchase Agreement, further objective criteria (the “**Additional Criteria**”) and, together with the Common Criteria and the Specific Criteria, the “**Criteria**”) may be agreed between the Issuer and the Originator from time to time to supplement the Specific Criteria in the selection of any Further Portfolio.

The Purchase Price in respect of the Initial Portfolio and of each Further Portfolio is equal to the sum of all Individual Purchase Prices of the relevant Receivables. The Individual Purchase Price of the Existing Receivables comprised in the relevant Portfolio will be calculated on the relevant Valuation Date (included); the Individual Purchase Price of the Future Receivables comprised in the relevant Portfolio will be calculated on the relevant Arising Date (included).

The Principal Component of the Purchase Price in respect of the Existing Receivables included in the Initial Portfolio will be paid by the Issuer using the proceeds of the issue of the Notes on the later of (i) the Issue Date and (ii) the date falling after the compliance of the formalities provided for under the Master

## Receivables Purchase Agreement.

The Principal Component of the Purchase Price in respect of the Existing Receivables included in any Further Portfolio will be paid to the Originator on the later of (i) Payment Date falling immediately after the assignment of the relevant Further Portfolio and (ii) the date falling after the compliance in relation to the relevant Further Portfolio of the formalities provided for under the Master Receivables Purchase Agreement and to the extent of the then available Principal Available Funds, in accordance with the then applicable Priority of Payments.

The Other Component of the Purchase Price in respect of the Existing Receivables included in the Initial Portfolio and in any Further Portfolio will be paid on each Payment Date subject to the compliance of the formalities provided for under the Master Receivables Purchase Agreement and to the extent of the then Interest Available Funds and subject to and in accordance with the applicable Priority of Payments.

The Principal Component of the Purchase Price and the Other Component of the Purchase Price in respect of the Future Receivables included in the Initial Portfolio and any Further Portfolio will be paid to the Originator on the later of (i) the Payment Date falling immediately after the relevant Arising Date and (ii) the date falling after the compliance of the formalities provided under the Master Receivables Purchase Agreement to the extent of, respectively, the then Principal Available Funds, in accordance with the then applicable Priority of Payments, provided that during the Revolving Period, no such payment may be made by the Issuer if, on the Calculation Date immediately preceding the relevant Payment Date the Further Portfolio Conditions are not met (irrespective of whether a Further Portfolio has been offered for sale by the Originator on the immediately preceding Offer Date).

In accordance with the Master Receivables Purchase Agreement, the Purchase Price of the Existing Receivables comprised in the Initial Portfolio and in any Further Portfolio shall be paid subject to the:

- (a) publication of a notice of assignment of the relevant Receivables in the *Gazzetta Ufficiale della Repubblica Italiana*; and
- (b) registration of such assignment with the competent Companies' Register.

The Purchase Price of the Future Receivables comprised in the Initial Portfolio and in any Further Portfolio shall be paid

subject to the:

- (a) publication of a confirmation notice of assignment of the relevant Receivables in the *Gazzetta Ufficiale della Repubblica Italiana* (the “**Confirmation Notice**”); and
- (b) registration of such confirmation notice with the competent Companies’ Register.

Under the Master Receivables Purchase Agreement, the Issuer has granted to the Originator:

- (a) an option right to repurchase (in whole but not in part), on the Clean-Up Option Date and on any Payment Date thereafter, the outstanding Receivables included in the Master Portfolio, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement;
- (b) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement; and
- (c) a pre-emption right on the outstanding Receivables included in the Master Portfolio or individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement.

See for further details sections headed “*The Master Portfolio*” and “*Description of the Transaction Documents - The Master Receivables Purchase Agreement*”.

**Conditions for the Purchase of Further Portfolios**

During the Revolving Period, Further Portfolios may only be offered or purchased if, on the relevant Offer Date, all of the following conditions are satisfied with respect to the offered Further Portfolio:

- (i) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Weighted Average Excess Spread of the Master Portfolio is not lower than the Minimum Weighted Average Excess Spread;
- (ii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the weighted average remaining maturity of the Receivables included in the Master Portfolio is not higher than the Maximum Residual Life;
- (iii) following the purchase of the relevant Further Portfolio,



on the relevant Valuation Date, the balance of the Set-Off Reserve Account is equal to or higher than the Set-Off Reserve Required Amount;

- (iv) during the two consecutive Quarterly Collection Periods, no indemnity payment, for breach of representations and warranties given by the Originator in the Transaction Documents to which it is a party, in excess of the applicable Maximum Indemnity Amount has been requested;
- (v) the balance of the amounts standing to the credit of the Principal Accumulation Account is not higher than the Maximum Balance of the Principal Accumulation Account;
- (vi) the Cumulative Default Ratio calculated by reference to the immediately preceding Quarterly Collection Period is not higher than the Master Portfolio's Cumulative Default Ratio;
- (vii) the Arrears Ratio calculated by reference to the immediately preceding Quarterly Collection Period is not higher than the Master Portfolio's Arrears Ratio;
- (viii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors that pay via direct debit on an account with UniCredit S.p.A. is not higher than the Direct Debit Loans' Maximum Amount;
- (ix) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors that pay via direct debit on an account with UniCredit S.p.A. is not lower than the Direct Debit Loans' Minimum Amount;
- (x) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Personal Loans is not higher than the Personal Loans' Maximum Amount;
- (xi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Personal Loans is not lower than the Personal Loans' Minimum Amount;
- (xii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Auto Loans is not

higher than the Auto Loans' Maximum Amount;

- (xiii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Auto Loans is not lower than the Auto Loans' Minimum Amount;
- (xiv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Purpose Loans is not higher than the Purpose Loans' Maximum Amount;
- (xv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Purpose Loans is not lower than the Purpose Loans' Minimum Amount;
- (xvi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Southern Regions is not higher than the Southern Regions Loans' Maximum Amount;
- (xvii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Southern Regions is not lower than the Southern Regions Loans' Minimum Amount;
- (xviii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Northern Regions is not higher than the Northern Regions Loans' Maximum Amount;
- (xix) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Northern Regions is not lower than the Northern Regions Loans' Minimum Amount;
- (xx) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Central Regions is not higher than the Central Regions Loans' Maximum Amount;
- (xxi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or

domiciled in Central Regions is not lower than the Central Regions Loans' Minimum Amount;

- (xxii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Banking Loans is not higher than the Banking Loans' Maximum Amount;
- (xxiii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Banking Loans is not lower than the Banking Loans' Minimum Amount;
- (xxiv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the aggregate of the Balloon Receivables comprised in the Master Portfolio is not higher than the Balloon Receivables Maximum Amount;
- (xxv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Initial Set-Off Exposure is not higher than the Maximum Set-Off Exposure Amount;
- (xxvi) the Balance of the Principal Deficiency Ledger has not been negative for the Consecutive Payment Dates preceding the relevant Offer Date.

**Purchase Termination  
Notice**

If any of the following Purchase Termination Event occurs:

- (i) *Breach of obligations by the Originator:*

the Originator defaults in the performance or observance of any of its material obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof, to the Issuer and the Originator, declaring that such default is, in its reasonable opinion, materially prejudicial to the interest of the holders of the Senior Notes; or

- (ii) *Insolvency of the Originator:*

- (A) an application is made for the commencement of an *amministrazione straordinaria* or *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings against the Originator in any jurisdiction and such application has not

been rejected by the relevant court nor has it been withdrawn by the relevant applicant (unless a legal opinion or other adequate comfort is given to the Representative of the Noteholders confirming that such application is manifestly without grounds or such application is rejected); or

(B) the Originator becomes subject to any *amministrazione straordinaria, liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

(C) the Originator takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors (to the extent such out of court settlements may be materially prejudicial to the interests of the Noteholders) for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment; or

(iii) *Winding up of the Originator:*

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

(iv) *Termination of Servicer's appointment*

the Issuer has terminated the appointment of UniCredit as Servicer following the occurrence of an event other than those listed above in accordance with the provisions of the Servicing Agreement,

then the Representative of the Noteholders:

(1) in the case of a Purchase Termination Event under item (ii) above, may in its absolute discretion, or, shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding; and

(2) in the case of the other Purchase Termination Events,

shall,

deliver a Purchase Termination Notice to the Issuer and the Originator. After the service of a Purchase Termination Notice from the Representative of the Noteholders, the Issuer shall refrain from purchasing any Further Portfolio under the Master Receivables Purchase Agreement.

**Servicing of the Master Portfolio**

On 8 July 2011, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Master Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

The Servicer has undertaken to prepare and submit to the Issuer, on a quarterly basis, reports in the form set out in the Servicing Agreement. In particular, the Servicer shall prepare: a Quarterly Servicer's Report, containing information relating to the Collections and the Recoveries made in respect of the Master Portfolio during the relevant Quarterly Collection Period, including, without limitation, a description of the Master Portfolio, information relating to any Defaulted Receivables and the Collections during the preceding Quarterly Collection Period.

Under the Servicing Agreement, the Servicer, during each Quarterly Collection Period, may, in accordance with and subject to the conditions provided for under the Servicing Agreement, renegotiate the terms of the Receivables if the Renegotiation Reserve Available Amount is at least equal to the Renegotiation Reserve Required Amount as at the Payment Date immediately preceding the date on which the renegotiation shall be carried out or, following such Payment Date, the Servicer has made available to the Issuer a Renegotiation Reserve Subordinated Loan for an amount which will bring the balance of the Renegotiation Reserve Account up to or in excess of the Renegotiation Reserve Required Amount.

See for further details the section headed: "*Description of the Transaction Documents - The Servicing Agreement*".

**Warranties and indemnities**

In the Warranty and Indemnity Agreement, the Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, the Receivables and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties.

See for further details the section headed: "*Description of the*

## 5. CREDIT STRUCTURE

### **Intercreditor Agreement**

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

See for further details the section headed: "*Description of the Transaction Documents - The Intercreditor Agreement*".

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

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

The Calculation Agent has agreed to prepare (i) on or prior to each Calculation Date, the Payments Report containing, *inter alia*, details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the Priority of Payments, and (ii) not later than 10 Business Days following each Payment Date, the Investors Report. On each Payment Date, the Principal Paying Agent shall apply amounts transferred to it out of the Payments Account in making payments to the Noteholders in accordance with the Priority of Payments, as set out in the Payments Report.

See for further details the section headed: "*Description of the Transaction Documents - The Cash Allocation, Management and Payments Agreement*".

### **Cash Reserve Subordinated Loan Agreement**

Under the terms of the Cash Reserve Subordinated Loan Agreement, the Cash Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Cash Reserve Subordinated Loan for an amount of euro 420,000,000 for the purpose of establishing, on the Issue Date, the Cash Reserve in an amount equal to the Initial Cash Reserve Amount.

Under the provisions of the Cash Reserve Subordinated Loan Agreement, the Issuer may request and the Cash Reserve Subordinated Loan Provider may, in its sole and absolute discretion, agree to an increase of the amount originally committed under the Cash Reserve Subordinated Loan Agreement for the purpose of making available to the Issuer additional amounts.

Each Cash Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Cash Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

**Renegotiation Reserve  
Subordinated Loan  
Agreement**

Under the terms of the Renegotiation Reserve Subordinated Loan Agreement, the Renegotiation Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Renegotiation Reserve Subordinated Loan for an amount of euro 5,000,000 for the purpose of establishing, on the Issue Date, the Renegotiation Reserve in an amount equal to the Initial Renegotiation Reserve Amount.

Under the provisions of the Renegotiation Reserve Subordinated Loan Agreement, the Issuer may request and the Renegotiation Reserve Subordinated Loan Provider may, in its sole and absolute discretion, agree to an increase of the amount originally committed under the Renegotiation Reserve Subordinated Loan Agreement for the purpose of making available to the Issuer additional amounts.

Each Renegotiation Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Renegotiation Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

**Set-Off Reserve  
Subordinated Loan  
Agreement**

Under the terms of the Set-Off Reserve Subordinated Loan Agreement, the Set-Off Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Set-Off Reserve Subordinated Loan for an amount up to the Set-Off Reserve Required Amount for the purpose of funding or replenishing (as the case may be) the Set-Off Reserve on any Offer Date on which the balance of the Set-Off Reserve Account is lower than the Set-Off Reserve Required Amount.

Each Set-Off Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Set-Off Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

**Cash Reserve**

On the Issue Date, an amount equal to the Initial Cash Reserve Amount shall be drawn down in accordance with the terms of the Cash Reserve Subordinated Loan Agreement and shall be deposited by the Issuer on the Cash Reserve Account to form

the Cash Reserve.

The Cash Reserve Available Amount will be used on each Payment Date, together with the Interest Available Funds for making certain payments under the Interest Priority of Payments, to the extent that the Interest Available Funds (excluding the Cash Reserve Available Amount and amounts available under items *First* and *Ninth* of the Principal Priority of Payments on such Payment Date) are not sufficient to make such payments in full on such Payment Date.

Prior to the delivery of a Trigger Notice and if the Cash Reserve has been used, the Cash Reserve Account will be replenished, to the extent there are Issuer Available Funds applicable for such purpose, up to the Cash Reserve Required Amount on any Payment Date, in accordance with the Interest Priority of Payments.

### **Renegotiation Reserve**

On the Issue Date, an amount equal to the Initial Renegotiation Reserve Amount shall be drawn down in accordance with the terms of the Renegotiation Reserve Subordinated Loan Agreement and shall be deposited by the Issuer on the Renegotiation Reserve Account to form the Renegotiation Reserve.

The Renegotiation Reserve will be used, on each Payment Date, for an amount up to the aggregate of the Interest Renegotiation Losses and the Principal Renegotiation Losses as at the Calculation Date immediately preceding such Payment Date, for the purpose of making good any shortfall arising from the renegotiation of Receivables made in accordance with the provisions of the Servicing Agreement. Under the Servicing Agreement, the Servicer, during each Quarterly Collection Period, may, in accordance with and subject to the conditions provided for under the Servicing Agreement, renegotiate the terms of the Receivables if the Renegotiation Reserve Available Amount is at least equal to the Renegotiation Reserve Required Amount as at the Payment Date immediately preceding the date on which the renegotiation shall be carried out or, following such Payment Date, the Servicer has made available to the Issuer a Renegotiation Reserve Subordinated Loan for an amount which will bring the balance of the Renegotiation Reserve Account up to or in excess of the Renegotiation Reserve Required Amount.

Prior to the delivery of a Trigger Notice and if the Renegotiation Reserve has been used, no renegotiation may be made by the Servicer on the Receivables unless the Renegotiation Reserve Account has been replenished up to the



Renegotiation Reserve Required Amount in accordance with the Renegotiation Reserve Subordinated Loan Agreement.

**Set-Off Reserve**

The Set-Off Reserve will be used on each Payment Date, for an amount up to the aggregate of the Interest Set-Off Loss and the Principal Set-Off Loss as at the Calculation Date immediately preceding such Payment Date, for the purpose of covering any loss occurred as a consequence of the valid exercise by any relevant Debtor or the insolvency receiver of a Debtor, of a right of set-off, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement.

**The Principal Deficiency Ledger**

The Principal Deficiency Ledger is a ledger established by the Issuer in order to record any principal deficiency on the Master Portfolio.

On each Calculation Date, the Calculation Agent will, subject to receipt of the relevant information due from the Servicer and from the Account Bank record:

- (a) as a debit entry in the Principal Deficiency Ledger, an amount equal to the difference between (A) the Principal Amount Outstanding of the Notes as at such Calculation Date, and (B) the aggregate of:
  - (i) the Collateral Portfolio at the end of the immediately preceding Quarterly Collection Period; plus
  - (ii) any amounts standing to the credit of the Principal Accumulation Account at the end of the immediately preceding Payment Date; plus
  - (iii) amounts on account of principal collected under the Receivables during the immediately preceding Quarterly Collection Period; plus
  - (iv) the absolute value of any amount already standing to the debit of the Principal Deficiency Ledger; and
- (b) up to when the balance of the Principal Deficiency Ledger reaches zero, as a credit entry the amount to be transferred on the Payment Date immediately succeeding such Calculation Date to the Principal Available Funds in accordance with item *Eight* of the Interest Priority of Payments.

**Mandate Agreement**

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger

Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents (but only in relation to the powers and authority needed by the Representative of the Noteholders to enforce the rights entitlements or remedies, to exercise the discretion, authorities or powers, to give the direction or make the determination in respect of which the failure has occurred), to exercise, in the name and on behalf of the Issuer, all the Issuer's non monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

See for further details the section headed: *"Description of the Transaction Documents – The Mandate Agreement"*.

**Swap Agreement**

The Issuer has entered into the Swap Agreement with the Swap Counterparty.

See for further details the section headed: *"Description of the Transaction Documents – The Swap Agreement"*.

**Corporate Services Agreement**

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

See for further details the section headed: *"Description of the Transaction Documents – The Corporate Services Agreement"*.

**Deed of Pledge**

Under the terms of the Deed of Pledge, the Issuer has granted to the Representative of the Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Creditors) a pledge over certain monetary rights to which the Issuer is entitled from time to time pursuant to certain Transaction Documents to which the Issuer is a party.

See for further details the section headed: *"Description of the Transaction Documents – The Deed of Pledge"*.

**Deed of Charge**

Under the terms of the Deed of Charge, the Issuer has assigned by way of security in favour of the Representative of the Noteholders (as trustee for the Noteholders and the Other Issuer Creditors) all the Issuer's right, title, benefit and interest arising from the Swap Agreement.

See for further details the section headed: *"Description of the Transaction Documents – The Deed of Charge"*.

**6. THE TRANSACTION ACCOUNTS**

**Collection Account**

Pursuant to the Servicing Agreement, the Servicer shall credit to the Collection Account established in the name of the Issuer with the Account Bank all the amounts received or recovered in

respect of the Master Portfolio.

**Principal Accumulation Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, on any Payment Date during the Revolving Period, any Issuer Cash Collateral on such Payment Date shall be credited on the Principal Accumulation Account established in the name of the Issuer with the Account Bank.

The Principal Accumulation Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

The Principal Accumulation Account shall be closed on the First Amortisation Payment Date and amounts previously credited to the Principal Accumulation Account shall be considered as Principal Available Funds and applied in accordance with the applicable Priority of Payments.

**Payments Account**

All amounts payable by the Issuer on each Payment Date will, two Business Days prior to such Payment Date, be paid by the Account Bank into the Payments Account established in the name of the Issuer with the Principal Paying Agent.

The Payments Account, initially open with the Principal Paying Agent, shall be at all times held with an Eligible Institution.

**Cash Reserve Account**

The Issuer has established with the Account Bank the Cash Reserve Account in order to deposit (i) on the Issue Date, the Initial Cash Reserve Amount drawn down under the Cash Reserve Subordinated Loan Agreement; (ii) on each Payment Date, in accordance with the Pre-Trigger Notice Interest Priority of Payments and subject to the availability of sufficient Interest Available Funds, the amount necessary to replenish the Cash Reserve as to bring the balance of the Cash Reserve Account up to, but not in excess of, the Cash Reserve Required Amount.

The Cash Reserve Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

The Cash Reserve Account shall be closed once the Senior Notes are repaid in full or otherwise cancelled in accordance with the Senior Notes Conditions.

**Renegotiation Reserve Account**

The Issuer has established with the Account Bank the Renegotiation Reserve Account in order to deposit (i) on the Issue Date, the Initial Renegotiation Reserve Amount drawn down under the Renegotiation Reserve Subordinated Loan Agreement; (ii) on each relevant date, in accordance with the Renegotiation Reserve Subordinated Loan Agreement, the

amount necessary to replenish the Renegotiation Reserve as to bring the balance of the Renegotiation Reserve Account up to, but not in excess of, the Renegotiation Reserve Required Amount.

The Renegotiation Reserve Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

The Renegotiation Reserve Account shall be closed once the Senior Notes are repaid in full or otherwise cancelled in accordance with the Senior Notes Conditions.

**Set-Off Reserve Account**

The Issuer has established with the Account Bank the Set-Off Reserve Account in order to deposit on each relevant date, in accordance with the Set-Off Reserve Subordinated Loan Agreement, the amount necessary to fund or replenish (as the case may be) the Set-Off Reserve as to bring the balance of the Set-Off Reserve Account up to, but not in excess of, the Set-Off Reserve Required Amount.

The Set-Off Reserve Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

The Set-Off Reserve Account shall be closed once the Senior Notes are repaid in full or otherwise cancelled in accordance with the Senior Notes Conditions.

**Securities Account**

The Issuer has established with the Custodian Bank the Securities Account in which shall be deposited or recorded any Eligible Investments represented by securities.

The Securities Account, initially open with the Custodian Bank, shall be at all times held with an Eligible Institution.

**Cash Collateral Account**

The Issuer has established with the Account Bank the Cash Collateral Account for the deposit of any cash collateral to be paid by the Swap Counterparty to the Issuer in accordance with the provisions of the Swap Agreement.

The Cash Collateral Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

**Securities Collateral Account**

The Issuer has established with the Account Bank the Securities Collateral Account for the deposit of any collateral represented by bonds, debentures, notes or other financial instruments to be delivered by the Swap Counterparty to the Issuer in accordance with the provisions of the Swap Agreement.

The Securities Collateral Account, initially open with the Account Bank, shall be at all times held with an Eligible

Institution.

**Expenses Account**

The Issuer has established the Expenses Account with UniCredit S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date, a pre-determined amount will be credited up to the Retention Amount which will be used by the Issuer to pay any Expenses.

**General Account**

The Issuer has established with the Account Bank the General Account in order to deposit any amounts received under any Transaction Document and not allocated to any other Account, such as the proceeds deriving from the sale, if any, of the Master Portfolio or individual Receivables in accordance with the provisions of the Master Receivables Purchase Agreement and any amount paid by the Originator in accordance with the provisions of the Warranty and Indemnity Agreement.

The General Account, initially open with the Account Bank, shall be at all times held with an Eligible Institution.

## REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

On 16 September 2009 the European Parliament and the European Council adopted the Directive 2009/111/EC (the “**CRD II**”) amending the so-called capital requirements directive (being and expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the “**CRD**”), relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions.

Pursuant to the article 122a of the CRD as amended by CRD II (“**Article 122a**”), an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in such securitisation.

Article 122a became effective on 1 January 2011 and has been implemented in Italy in the *Nuove disposizioni di vigilanza prudenziale per le banche*.

In the Senior Notes Subscription Agreement, UniCredit, in its capacity as Originator, has undertaken to the Issuer, the Sole Lead Manager and the Representative of the Noteholders that it will retain at the Issue Date and maintain on an ongoing basis a net economic interest in the Securitisation described in this Prospectus not lower than 5% in accordance with option (d) of Article 122a (i.e. “*the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5% of the nominal value of the securitised exposures*”) or, in accordance with Article 122a, any alternative permitted method to the extent that adequate disclosure on such alternative method has been given, *inter alios*, to the Senior Noteholders. Notice on such alternative method shall be given to the Noteholders through the systems of Monte Titoli and, as long as the Senior Notes are listed on the Official List of the Irish Stock Exchange, be published on the website of the Irish Stock Exchange, in accordance with Conditions 17 (*Notices*).

Pursuant to Article 122a, the Originator is prohibited from hedging or otherwise transferring the retained risk.

Article 122a further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transaction, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an ongoing basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, Article 122a requires originators and sponsors to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

UniCredit, in its capacity as Originator, (i) has made available on the Issue Date and (ii) has undertaken in the Senior Notes Subscription Agreement to make available on a quarterly basis, the information required by Article 122a necessary to prospective investors for the purposes above. Such information will include: (a) aggregate amount of Collections related to the Receivables collected

during the relevant Quarterly Collection Period; (b) a description, by aggregate amounts, of the Master Portfolio during the relevant Quarterly Collection Period similar to the information contained in the section headed “*The Master Portfolio*” in this Prospectus; (c) net economic interest held by Originator in the Securitisation; (d) a description, by aggregate amounts, of the Receivables comprised in the Master Portfolio and classified as Defaulted Receivables by the Servicer; (e) a description, by aggregate amounts, of the Receivables comprised in the Master Portfolio and classified as Delinquent Receivables by the Servicer; and (f) a description, by aggregate amounts, of the Recovery Amounts collected by the Servicer.

The above information will be available to the Noteholders in accordance with the following modalities:

- (a) on or around the Issue Date will:
  - (i) appear on Bloomberg, in the page associated to the Notes; and
  - (ii) with reference to any further information, required by Article 122a, as implemented from time to time, and not covered under point (i) above, appear on the Unicredit S.p.A. web site on: <http://www.unicreditgroup.eu>;
- (b) after the Issue Date, on a quarterly basis, will:
  - (i) appear on Bloomberg, in the page associated to the Notes;
  - (ii) be included in the Investors Report issued by the Calculation Agent, which will be generally available to the Noteholders and prospective investors at the offices of the Principal Paying Agent and on the Originator’s web site on <http://www.unicreditgroup.eu>; and
  - (iii) with reference to any further information, required by Article 122a, as implemented from time to time, and not covered under points (i) and (ii) above, appear on the Unicredit S.p.A. web site on: <http://www.unicreditgroup.eu>.

See for further details the section headed: “*Risk factors – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*”.

## **RISK FACTORS AND SPECIAL CONSIDERATIONS**

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

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

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

### **RISK FACTORS AND SPECIAL CONSIDERATIONS IN RELATION TO THE ISSUER**

#### **Securitisation Law**

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

#### **Issuer's ability to meet its obligations under the Notes**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Master Portfolio, (ii) any payments made by the Swap Counterparty under the Swap Agreement, (iii) the support provided by the Cash Reserve, the Renegotiation Reserve and the Set-Off Reserve; and (iv) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

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

None of the Issuer, the Sole Arranger or the Sole Lead Manager nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements nor has any of them undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to



establish the creditworthiness of any Debtors. There can be no assurance that the assumptions used in modelling the cash flows of the Receivables and the Master Portfolio accurately reflects the status of the underlying Loan Agreements.

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

### **Liquidity and credit risk**

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

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the relevant Loans in order to discharge all amounts due from such Debtors under the Loan Agreements.

The above risks are mitigated, with respect to the Senior Notes, by (i) the availability of the Cash Reserve, the Renegotiation Reserve and the Set-Off Reserve (once funded); and (ii) the credit support provided by Junior Notes.

Although the Issuer believes that the Master Portfolio has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes, there can, however, be no assurance that the level of collections and the recoveries received from the Master Portfolio and the levels of credit and liquidity support provided will be adequate to ensure timely and full receipt of amounts due under the Notes.

### **Credit risk on UniCredit S.p.A. and the other parties to the Transaction Documents**

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by UniCredit S.p.A. (in any capacity) and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Master Portfolio and to recover the amounts relating to Defaulted Receivables (if any), the Swap Counterparty complying with its obligations under the Swap Agreement and the continued availability of hedging under the Swap Agreement. Prospective Noteholders should note that the Swap Counterparty has the right to terminate the Swap Agreement if a Trigger Notice is delivered. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

It is not certain that a suitable alternative Servicer could be found to service the Master Portfolio if UniCredit S.p.A. becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative Servicer were to be found it is not certain whether it would service the Master Portfolio on the same terms as those provided for in the Servicing Agreement.

In addition, the Issuer is subject to the risk that, in the event of insolvency of UniCredit S.p.A., the Collections and the Recoveries then held by the Servicer are lost. However, prospective investors should note that the Collection Account shall be held with UniCredit S.p.A. to the extent it is an Eligible Institution.

### **Interest rate risk**

The Issuer expects to meet its floating rate payment obligations under the Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However, the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Notes.

In order to mitigate this interest rate risk and avoid the occurrence of a mismatch between such payments and the floating rate payment obligations of the Issuer under the Senior Notes, the Issuer entered into the Swap Agreement in relation to the Master Portfolio with the Swap Counterparty.

The Swap Agreement consists of an ISDA 1992 Master Agreement (*Multicurrency – Cross Border*) dated on or about the Issue Date, together with the schedule and credit support annex thereto and the related confirmations.

### **Reliance on Swap Providers**

The Swap Agreement contains specific downgrade provisions aimed at maintaining the credit ratings of the Senior Notes in the event of the downgrade of the Swap Counterparty, pursuant to which the Swap Counterparty may be required within a specified timeframe, in the event that it is downgraded, to post collateral and/or to provide a suitable guarantor or transfer its rights and obligations under the Swap Agreement to another suitably rated entity.

In the event of early termination of the Swap Agreement, including any termination upon failure by the Swap Counterparty to perform its obligations, the Issuer may be obliged to make a termination payment to the Swap Provider. If the Issuer is obliged to pay a termination payment under the Swap Agreement, such termination payment may rank senior to amounts due on the Notes. There can be no assurance that the Issuer will have sufficient funds available to make such a termination payment under the Swap Agreement nor can there be any assurance that the Issuer will be able to meet its obligations under the Notes in full or even in part accordingly. If the Swap Counterparty or the Issuer terminates the Swap Agreement prior to the Final Maturity Date, no assurance can be given that the Issuer will be able to promptly enter into a replacement swap agreement, or, if one is entered into, that any replacement hedging arrangements will continue to provide the Issuer with the same level of protection as the Swap Agreement or that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current rating of the Senior Notes by any Rating Agency. See for further details section headed "*Description of the Transaction Documents - The Swap Agreement*".

### **Claims of unsecured creditors of the Issuer**

By operation of Italian law, the rights, title and interest of the Issuer in and to the Master Portfolio will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and any amounts deriving therefrom will be available both prior to and on a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of

the securitisation of the Master Portfolio incurred by the Issuer. Amounts deriving from the Master Portfolio will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Master Portfolio would have the right to claim in respect of the Master Portfolio, even in a bankruptcy of the Issuer.

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

Without prejudice to the right of the Representative of the Noteholders to enforce the Security, the Conditions contain provisions stating, and each of the Other Issuer Creditors has undertaken pursuant to the Intercreditor Agreement, that no Noteholder or Other Issuer Creditor will petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling two years and one day after the date on which the Notes and any other note issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

In addition, under Italian law, any other creditor of the Issuer who is not a party to the Intercreditor Agreement, an Italian public prosecutor (*pubblico ministero*), a director of the Issuer (who could not validly undertake not to do so) or an Italian court in the context of any judicial proceedings to which the Issuer is a party would be able to begin insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt. Such creditors could arise, for example, by virtue of unexpected expenses owed to third parties including those additional creditors that the Issuer will have as a result of the further securitisations undertaken by the Issuer. In order to address this risk, the Priority of Payments contains provisions for the payment of amounts to third parties. Similarly, monies to the credit of the Expenses Account may be used for the purposes of paying the ongoing fees, costs, expenses, liabilities and taxes of the Issuer to third parties not being Other Issuer Creditors.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction because the corporate object of the Issuer, as contained in its by-laws (*statuto*), is limited and the Issuer has provided certain covenants in the Intercreditor Agreement and in the Conditions which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions.

No creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any third-party creditors having the right to claim for amounts due in connection with this Securitisation would have the right to claim in respect of the Master Portfolio, even in a bankruptcy of the Issuer.

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

## **Further securitisations**

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Master Portfolio. It is a condition precedent to any such securitisation that: (a) the transaction documents relating to any such further securitisation are notified to the Rating Agencies and the then current rating assigned by the Rating Agencies on the Senior Notes will not be negatively affected by such further securitisation, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company that purchases the assets. On a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant assets and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

## **Historical, financial and other information**

The historical, financial and other information set out in the sections headed "*The Originator – The Collection Policy*", and "*The Master Portfolio*", including information in respect of collection rates, represents the historical experience of the Originator. There can be no assurance that the future experience and performance of the Originator, as Servicer of the Portfolio, will be similar to the experience shown in this Prospectus.

## **Changes in the Master Portfolio composition**

During the life of the Securitisation, the characteristics of the Master Portfolio may become different from the ones that the Initial Portfolio had as at the relevant Valuation Date (such characteristics being shown in the section headed "*The Master Portfolio*"). Such a change in the composition of the Master Portfolio may occur, *inter alia*, due to the following circumstances:

- (i) *Revolving Securitisation* - under the Master Receivables Purchase Agreement, the Originator, subject to the occurrence of some conditions precedent listed therein, has the right to sell, on each Transfer Date falling during the Revolving Period, Further Portfolios of Receivables to the Issuer. The characteristics of each such Further Portfolio are not precisely foreseeable as at the date hereof; consequently, it cannot be excluded that Further Portfolios acquired by the Issuer may change the characteristics of the Master Portfolio. However, to mitigate this risk, the Master Receivables Purchase Agreement provides that Further Portfolios may only be offered or purchased if, on the relevant Offer Date, certain conditions are satisfied. Such conditions have the scope to ensure that the characteristics of the Master Portfolio following the purchase of each Further Portfolio do not change significantly from those of the Initial Portfolio (for further details, see the section headed "*Transaction Overview – Conditions for the Purchase of Further Portfolios*");
- (ii) *Future Receivables* - under the Master Receivables Purchase Agreement, the Initial Portfolio as well as Further Portfolios that may be transferred to the Issuer may include Future Receivables. The Future Receivables coming into existence are automatically transferred to the Issuer on the relevant Arising Date. Under the terms of the Master Receivables Purchase Agreement,

payment of the Purchase Price for the Future Receivables coming into existence shall be subject to a notice of sale confirming the sale thereof to the Issuer having been published in the *Gazzetta Ufficiale della Repubblica Italiana* and (a) during the Revolving Period, the conditions referred to in paragraph (i) above being satisfied with respect to the aggregate of the Master Portfolio and the relevant Future Receivables; and (b) following the expiry of the Revolving Period will be made after payments of interest and principal on the Senior Notes has been made by the Issuer. Therefore, any Future Receivables coming into existence after the end of the Revolving Period represents additional free credit enhancement for the holders of the Senior Notes;

- (iii) *Servicing of the Portfolio* - under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as renegotiations, payment suspensions/deferrals and/or settlements in respect of the Loan Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the Debtors under the Loans. Under the terms of the Servicing Agreement, the Servicer may conclude with the relevant Debtors settlements agreements envisaging amendments to the amortisation plan and/or indexing of the Loans and/or suspensions of the repayment of the Instalments of the Loans, only if certain conditions set by the Servicing Agreement are satisfied. The Servicer may derogate to such conditions only if: (i) the Renegotiation Reserve is equal or higher than the Renegotiation Reserve Required Amount applicable to the Payment Date immediately preceding the date on which the settlement is concluded, or (ii) following the relevant Payment Date, the Servicer has granted to the Issuer an amount sufficient to render the Renegotiation Reserve equal or higher than the Renegotiation Reserve Required Amount, so as to indemnify the Issuer for the lower cashflow generated by the relevant renegotitated Receivable;
- (iv) *Repurchase rights* - the Originator has been granted an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option right will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Master Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Master Receivables Purchase Agreement provides that the Originator may exercise the repurchase option only if the overall amount of the Receivables repurchased through the exercise of such option does not exceed 5% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

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

Taxable income of the Issuer is determined without any special rights in accordance with Italian Presidential Decree number 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 29 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'elenco speciale*), degli IMEL delle SGR e delle SIM) the assets and liabilities and the costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets and liabilities, costs and revenues (except for overhead and general expenses and any amount that the Issuer may apply out of the Issuer Available Funds for the payment of such overhead and general expenses). Based on the general rules applicable to the calculation of the net taxable income of a

company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation.

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

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

Interest accrued on the accounts opened by the Issuer in the Republic of Italy with any Italian resident bank or any Italian branch of a non-Italian bank (including the Collection Account, the Principal Accumulation Account, the Cash Reserve Account, the Renegotiation Reserve Account, the Set-Off Reserve Account, the General Account, the Payments Account and the Expenses Account) will be subject to withholding tax on account of Italian tax which, as at the date of this Prospectus, is levied at the rate of 27 per cent.

## **RISK FACTORS AND SPECIAL CONSIDERATIONS IN RELATION TO THE NOTES**

### **Suitability**

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

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

No communication (written or oral) received from the Issuer, the Servicer or the Originator or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Senior Notes: consequently prospective investors must not rely on any

communication (written or oral) of the Issuer, the Servicer or the Originator as investment advice or as a recommendation to invest in the Senior Notes.

### **Source of payments to the Noteholders**

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Additional Calculation Agent, the Cash Manager, the Account Bank, the Principal Paying Agent, the Custodian Bank, the Cash Reserve Subordinated Loan Provider, the Renegotiation Reserve Subordinated Loan Provider, the Set-Off Reserve Subordinated Loan Provider, the Swap Counterparty, the Corporate Servicer, the Listing Agent, the Sole Arranger, the Sole Lead Manager or the Quotaholder. None of any such persons, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Master Portfolio and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest on the Notes or Variable Return on the Junior Notes or to repay the Notes in full.

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

There is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or Variable Return on the Junior Notes, or to repay the Notes in full.

The Notes will be limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal, interest, Variable Return and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights.

### **Yield and payment considerations**

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection, operation and restructuring of and other recoveries on the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Master Portfolio and the weighted average life of the Notes. The weighted average life of the Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield

to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

The yield to maturity of the Notes will also depend on the amount and timing of repayment of principal on the Loans. Such yield may therefore be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans. The rate of prepayment of the Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer loan market interest rates and margins offered by the banking system. Therefore, no assurance can be given as to the level of prepayments that the Loans will experience. See, for further details on the regulatory regime on prepayments of consumer loans, section headed “*Consumer Protection Legislation*” below.

The amount and timing of the receipt of Collections on the Receivables may, even more, be affected by the implementation of certain actions permitted to the Servicer in accordance with the provisions of the Servicing Agreement, and within the limits set forth therein, of the renegotiation, payment suspension/deferral and/or settlement (*transazione*) in respect of the Loan Agreements with the relevant Debtors.

### **Subordination**

In respect of the obligation of the Issuer to pay interest on the Senior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal due on the Senior Notes, payments of interest and Variable Return and repayment of principal due on the Junior Notes. In respect of the obligation of the Issuer to pay interest on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to payments of Variable Return and repayment of principal due on the Junior Notes. In respect of the obligation of the Issuer to pay the Variable Return on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes, to payment of interest and, up to the Junior Notes Retained Amount, repayment of principal due on the Junior Notes and in priority to payments of the Junior Notes Retained Amount due on the Junior Notes. In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice: (i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest on the Senior Notes and in priority to payments of interest and Variable Return due on the Junior Notes and repayment of principal due on the Junior Notes; and (ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and to payment of interest on the Junior Notes and in priority to the Variable Return for an amount up to the Junior Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Junior Notes Retained Amount.

As long as any Senior Note is outstanding, unless notice has been given to the Issuer declaring the Senior Notes due and payable, the Junior Notes shall not be capable of being declared due and payable and the Senior Noteholders shall be entitled to determine the remedies to be exercised.



Remedies pursued by the Senior Noteholders could be adverse to the interests of the Junior Noteholders.

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

### **Limited rights**

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Most Senior Class of the Notes the power to determine whether any Noteholder may commence any such individual actions, provided that the noteholders of any further securitisation undertaken by the Issuer, if any, have so resolved in accordance with the relevant transaction documents.

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

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

### **Market for the Senior Notes**

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

In particular, as at the date of this Prospectus, the secondary market for asset backed securities is experiencing disruptions resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of asset backed securities and resulted in the secondary market for asset backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently

experiencing funding difficulties have been forced to sell asset backed securities into the secondary market. The price of credit protection on asset backed securities through credit derivatives has risen materially.

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

### **Eurosystem eligibility criteria**

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

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

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

In particular, in Europe, investors should be aware that on 16 September 2009 the European Parliament and the European Council adopted the Directive 2009/111/EC (the “**CRD II**”) amending the so-called capital requirements directive (being and expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the “**CRD**”), relating to, *inter alia*, exposures to transferred credit risk in the context of securitisation transactions.

Pursuant to the article 122a of the CRD as amended by CRD II (“**Article 122a**”), an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in such securitisation.

Article 122a became effective on 1 January 2011 and has been implemented in Italy in the *Nuove disposizioni di vigilanza prudenziale per le banche*.

In light of Article 122a, in the Senior Notes Subscription Agreement, UniCredit, in its capacity as Originator, has undertaken to the Issuer, the Sole Lead Manager and the Representative of the Noteholders that it will retain at the Issue Date and maintain on an ongoing basis a net economic interest in the Securitisation described in this Prospectus not lower than 5% in accordance with option (d) of Article 122a or, in accordance with Article 122a, any alternative permitted method to the extent that adequate disclosure on such alternative method has been given, *inter alios*, to the Senior Noteholders.

Article 122a further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transaction, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an ongoing basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, Article 122a requires originators and sponsors to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

UniCredit, in its capacity as Originator, (i) has made available on the Issue Date and (ii) has undertaken in the Senior Notes Subscription Agreement to make available on a quarterly basis, the information required by Article 122a necessary to prospective investors for the purposes above. Such information will include: (a) aggregate amount of Collections related to the Receivables collected during the relevant Quarterly Collection Period; (b) a description, by aggregate amounts, of the Master Portfolio during the relevant Quarterly Collection Period similar to the information contained in the section headed "*The Master Portfolio*" in this Prospectus; (c) net economic interest held by Originator in the Securitisation; (d) a description, by aggregate amounts, of the Receivables comprised in the Master Portfolio and classified as Defaulted Receivables by the Servicer; (e) a description, by aggregate amounts, of the Receivables comprised in the Master Portfolio and classified as Delinquent Receivables by the Servicer; and (f) a description, by aggregate amounts, of the Recovery Amounts collected by the Servicer. For further details, see the section headed "*Regulatory disclosure and retention undertaking*" above.

To date there is limited guidance, and no regulatory or judicial determination, on the interpretation and application of Article 122a. Until additional guidance is available and such determinations are made, there remains considerable uncertainty with respect to the interpretation and application of the provisions of Article 122a and, in particular, what will be required to demonstrate compliance with Article 122a to national regulators.

The CRD and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Sole Arranger, the Sole Lead Manager, the Originator or any other party makes any

representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future or compliance of the Securitisation with the relevant investors' supervisory regulations.

### **Implementation of, and amendments to, the Basel II framework may affect the regulatory capital and liquidity treatment of the Notes**

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "Liquidity Coverage Ratio" and the "Net Stable Funding Ratio"). Participating countries will be required to implement the new capital standards from January 2013, the new Liquidity Funding Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and the European Commission proposes to implement the changes through amendments to the Capital Requirements Directive known as "**CRD IV**"). The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

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

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

Payments of interest and other proceeds under the Senior Notes may or may not be subject to withholding or deduction for or on account of Italian tax. For example, as at the date of this Prospectus, according to Legislative Decree number 239 of 1 April 1996, any non-Italian resident beneficial owner of a payment of interest or other proceeds relating to the Senior Notes who (i) is either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, or (ii) even if resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, does not timely comply with the requirements set forth in Decree 239 and the relevant application rules in order to benefit from the exemption from substitute tax, will receive interest and other proceeds payable on the Senior Notes net of Italian substitute tax (see for further details also the section headed "*Taxation*" below).

At the date of this Prospectus such substitute tax is levied at the rate of 12.5 per cent (since the Notes have a maturity of not less than 18 months), or such lower rate as may be applicable under any relevant double taxation treaty.

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

If any Senior Notes are redeemed in whole or in part prior to the date which is eighteen months after the Issue Date, the Issuer will be obliged to pay an additional amount in Italy equal to 20 per cent of all interest and other proceeds accrued on such principal amount prepaid up to the relevant repayment date. See for further details also the section headed "*Taxation*" below.

### **European Withholding Tax Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers ("**ECOFIN**") adopted a new directive (Directive 2003/48/EC - the "**Savings Directive**") regarding the taxation of savings income. The Directive has been in force since 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of each other Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person in favour of, a beneficial owner that is an individual resident in that other Member State; however, Austria and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the Savings Directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries and territories, including Switzerland and certain dependent or associated territories of certain Member States, have adopted similar measures (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, a beneficial owner that is an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Italy has implemented the Savings Directive through Legislative Decree number 84 of 18 April 2005 ("**Decree 84**"). Under Decree 84, subject to a number of conditions being met, in the case of interest (including interest accrued on the Notes at the time of their disposal) paid to individuals that qualify as beneficial owners of the interest and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant international agreement, Italian qualified paying agents (i.e. banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owners. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are included in business income taxable under general arrangements

for business taxation and, in specific cases, UCITS recognised in accordance with Directive 85/611/EEC.

If, following implementation of the Savings Directive, a payment under the Notes were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any other person would be obliged to gross-up or otherwise compensate the Noteholders with respect to any Notes as a result of the imposition of such withholding tax.

## **GENERAL RISK FACTORS AND SPECIAL CONSIDERATIONS**

### **Claw back of the sales of the Receivables**

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the Originator is made within three months of the securitisation transaction (or of the purchase of the relevant Portfolio) or, in cases where paragraph 1 of article 67 applies (e.g. if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the securitisation transaction (or of the purchase of the relevant Portfolio).

### **Prepayments under Loan Agreements**

Although the Loan Agreements are entered into with Debtors which are individuals, there can be a part of those individuals which are also entrepreneurs and as such are subject to insolvency proceedings under Italian law. In the event of insolvency, prepayments made by a Debtor under the relevant Loan may be revoked, *inter alia*, pursuant to article 65 of the Bankruptcy Law ("**Article 65**").

Article 65 provides that payments made by a debtor with respect to debts that fall due on or after the date on which the relevant debtor is declared bankrupt are ineffective against the creditors of the relevant debtor, if such payments are made within the two years prior to the declaration of bankruptcy. Any such ineffective payment may therefore be clawed-back by the bankruptcy receiver of the debtor regardless of whether the debtor was insolvent at the time when the payment was made.

According to some Italian legal scholars and Decision number 1153 of 10 April 1969 of the Italian Supreme Court, the provisions of Article 65 would not apply to prepayments made by a debtor under a loan agreement, if the debtor exercises the right to prepay amounts due under the loan agreement in accordance with the terms of such agreement, as such payments which have been prepaid pursuant to a contractual right of the relevant debtor have to be considered as payments of a debt which falls due upon the exercise of such right and not as payments of a debt which is not yet due.

Pursuant to Decision number 4842 of 5 April 2002 of the Italian Supreme Court, however, it has been held that the provisions of Article 65 apply to payments of debts made on or before the date on which the relevant debts fall due, as such date has been fixed originally, irrespective of whether the loan agreement entitled the debtor to prepay the amounts due. Though, in more recent time, Milan's first instance court (*Tribunale di Milano*) has departed from the principles expressed by the Supreme Court in Decision number 4842 of 5 April 2002 and has embraced again the principles set in Decision number 1153 of 10 April 1969 (see *Tribunale di Milano* 17 May 2004).

Finally, in more recent decisions (Decision number 19978 of 18 July 2008 and Decision number 17552 of 29 July 2009), the Italian Supreme Court specified that Article 65 does not apply to the prepayment

made by debtors under mortgage loan agreements qualifying as *mutui fondiari, inter alia*, since the debtor's right to prepay a *mutuo fondiario* loan is explicitly granted by the law and not by contractual agreements; upon exercise of the right of prepayment, the debt is then considered to become due, so that the relevant payment may not be clawed back under Article 65.

There are no decisions concerning the applicability of Article 65 to prepayments made by debtors under consumer loans. Though, if the above-mentioned principle set by law Decision number 19978 of 18 July 2008 and Decision number 17552 of 29 July 2009 of the Italian Supreme Court is held to be applicable also to consumer loans, prepayments made by Debtors under the relevant Loan may not be revoked pursuant to article 65 of the Bankruptcy Law, since article 125-*sexies* of the Consolidated Banking Act explicitly attributes to the consumers the right to prepay sums outstanding under consumer loans.

While pursuant to article 4, paragraph 3, of the Securitisation Law payments made by the Debtors to the Issuer may not be clawed-back pursuant to article 67 of the Bankruptcy Law in the event of insolvency of the relevant Debtor or Issuer, it is doubtful whether the protection given by such provision against the claw-back actions taken pursuant to article 67 of the Bankruptcy Law may be extended in order to provide protection against the claw-back actions taken pursuant to Article 65.

### **Usury Law**

Italian Law number 108 of 7 March 1996 introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 27 June 2011). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

In certain judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law. Moreover, according to a certain interpretation of the Usury Law (which was generally considered, in the Italian legal community, to have been accepted in the above mentioned rulings of the *Corte di Cassazione*), if at any point in time the rate of interest payable on a loan (including a loan entered into before the entry into force of the Usury Law or a loan which, when entered into, was in compliance with the Usury Law) exceeded the then applicable Usury Rate, the contractual provision providing for the borrower's obligation to pay interest on the relevant loan would become null and void in its entirety.

The Italian Government has intervened in this situation with Law Decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, which provides, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

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

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

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement that the interest rates provided for under the Loan Agreements have been determined on the basis of criteria that ensure compliance with the Usury Rates; moreover, the Originator has anyway undertaken to indemnify any damage or loss suffered by the Issuer in case the provisions relating to interest rates are at any time declared void or unenforceable due to a breach of Usury Law.

#### **Compounding of Interest (*Anatocismo*)**

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of recent judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*").

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

The Originator has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the interest on interest.

#### **Risks in connection with legal proceedings involving the Originator**

The UniCredit Group is subject to certain claims and is a party to legal and other proceedings in the normal course of its business. These risks have been duly analysed by UniCredit and the UniCredit Group companies involved, including as to whether it is appropriate or necessary to effect provisions (to the extent possible) in an amount believed suitable according to the circumstances or to make a mention thereof in a supplementary note to the balance sheet, in accordance with the appropriate accounting principles. In particular, as at 31 December 2010, the Group had made provisions for



approximately €1,387 million to cover the risk and charges associated with such lawsuits (excluding employment, tax and credit recovery lawsuits) by the Group.

In many cases there is substantial uncertainty regarding the outcome of proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings by regulatory authorities and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class actions commenced in the U.S.). In situations where it is impossible to predict the outcome of a dispute and estimate any losses in a reliable manner, no provisions are made. However, where it is possible to provide a reliable estimate of the amount of possible losses and the loss is considered likely, provisions are made in the financial statements based on the circumstances and consistent with international accounting standards. A negative outcome for such proceedings could have a negative effect on the financial situation of the Group and of Group companies which are subject to such proceedings.

### **Consumer protection legislation**

Under Italian law, consumer credit agreements are regulated by special provisions derogating the general principles of law. Consumer credit agreement legislation have been subject to a full revision in August 2010 although, for the purpose of this section of the Prospectus, the novelties introduced by the new legislation are not highly significant. In addition, since the newly enacted provisions apply only to Loans entered into after the date of their entry into force and not to Loans concluded on or before such date, some most noticeable differences between current and former consumer credit legislation will be highlighted. For further information on the provisions regulating consumer loans, please see section headed “*Selected aspects of Italian law - Consumer credit provisions*”

- (i) *Prepayment of consumer loans* - Pursuant to sub-section 2 of former article 125 of the Consolidated Banking Act, debtors under consumer loan agreements have the right (which cannot be waived by agreement between the parties) to prepay any consumer loan: (a) with the additional right to a *pro rata* reduction in the aggregate cost of the loan, as provided by CICR and (b) without incurring in any prepayment penalty. Current article 125-*sexies* of the Consolidated Banking Act: with reference to point (a) above, provides that the reduction in the aggregate cost of the loan shall be equal to the amount of interest and costs which would have been due to the lender, had the consumer loan not been prepaid; with reference to point (ii) above, prepayment penalties are now allowed, as far as they are a fair and objectively justified compensation for possible costs incurred by the lender as a direct consequence of the early repayment. Prepayment penalties shall not, anyway, exceed 1% or 0.5% of the amount of the prepaid amount, depending on the period of time elapsed between the date on which early repayment occurred and the agreed maturity date. No prepayment penalty shall be due if:
  - a) the prepaid sum is equal to the outstanding amount of the relevant consumer loan and is less than €10,000; or
  - b) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or
  - c) in the case of overdraft facilities; or
  - d) if the repayment falls within a period for which the borrowing rate is not fixed.
- (ii) *Set-off rights* - Pursuant to article 125-*septies* of the Consolidated Banking Act, debtors are entitled to exercise against the assignee of any lender under a consumer loan contract, any

defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian civil code (that is even if the borrower has accepted the assignment or has been notified thereof). The scope of the carve out is not clear, but it cannot be excluded that pursuant to such provision, the assigned debtor shall be entitled to set-off against the assignee not only the claims on the assignor arisen before the assignment has become enforceable *vis-à-vis* the assigned consumer (as permitted under general principles of Italian law), but also claims on the assignor arising after such moment, regardless of any notification/acceptance of the same. For this purpose, under the Warranty and Indemnity Agreement the Originator has agreed to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred as a result of the successful exercise by any Debtor or insolvency receiver of a Debtor of any set-off right *vis-à-vis* the Issuer; moreover, the Transaction Documents provide that a Set-Off Reserve will be used on each Payment Date for the purpose of covering any loss borne by the Issuer as a consequence of the valid exercise of set-off, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement. The amount required to be allotted as Set-Off Reserve shall be calculated on the basis of the rating from time to time attributed by the Rating Agencies to the Originator.

- (iii) *Linked Credit Agreements* - Article 121 of the Consolidated Banking Act defines linked credit agreements as credit agreements where the credit in question serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and (a) the lender uses the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement, or (b) the specific goods or the provision of a specific service are explicitly specified in the credit agreement. Article 125-*quinquies* of the Consolidated Banking Act provides that, in case of non-trivial default by the relevant supplier, debtors under linked credit agreements, which pursued remedies against such supplier but failed to obtain satisfaction, have the right to terminate (*risoluzione del contratto*) the linked credit agreement. Following termination, the lender shall reimburse to the consumer any instalment which has been paid by the latter to reimburse the granted consumer loan (and any commission paid); on its turn, the lender shall be entitled to claim the amounts granted to the consumer as consumer loan only against the relevant supplier of goods or provider of services. Any such lenders' potential liability is extended to assignors of receivables arising from consumer loan agreements. Paragraph 6 of article 67 of Italian Legislative Decree No. 206 of 6 September 2005 (the "**Consumer Code**"), finally, provides that a consumer shall no longer be bound by a linked credit agreement, in case it exercises a right of redress (*diritto di recesso*) under distance contracts and/or contracts negotiated away from business premises.

Former consumer credit agreement legislation provided that, in case of default by the relevant supplier, a debtor under a consumer credit agreement entered into in order to finance the supply of goods or services was allowed to pursue remedies against the relevant lender only if, *inter alia*, such supplier was linked to the lender by an exclusivity agreement (whereas, under current legislation, such condition has been substituted with less stringent ones reported under letters a) and b) above in this paragraph). It should be noted, however, that the Italian Supreme Court seemed to have disregarded the requirement of the existence of an exclusivity agreement between the lender and the supplier, so to enable debtors to act against the relevant lender even if the existence of such a pre-requisite was not proved by the plaintiff.

For this purposes, under the Warranty and Indemnity Agreement, the Originator has represented that in the event the relevant Loan Agreement falls under the definition of linked

credit agreement (*contratto di credito collegato*) pursuant to article 121 of the Consolidated Banking Act, to the best of its knowledge, the relevant supplier or service provider is not and has not been in default and, as a consequence, the relevant Debtor is not entitled (also for the purposes of Article 125 *quinquies* of the Consolidated Banking Act) to claim for the termination (*risoluzione*) of the relevant Loan Agreement.

- (iv) *Annual percentage rate of interest* - Paragraph 6 of current article 125-*bis* disposes that clauses providing costs which, in breach of the provisions of the relevant definition set by current article 121 of the Consolidated Banking Act, have not been included in the calculation of the annual percentage rate of charge (TAEG), are void; moreover, paragraph 7, letter a), of the same article provides that, in case the relevant contractual clauses are missing or are void, the annual percentage rate of interest shall be equal to the minimum nominal interest rate applicable to annual Italian Treasury Bills or similar securities, issued within the 12 months preceding the date on which the relevant contract has been executed, and that no further charges shall be paid by the consumer as interests, commissions or other expenses. A rule similar to the one set by current paragraph 7, letter a), was provided by former paragraph 5 of article 125 of the Consolidated Banking Act. Under the terms of the Warranty and Indemnity Agreement, the Originator has represented that each Loan Agreement which is a consumer loan pursuant to articles 121 and following of the Consolidated Banking Act has been entered into and performed and is compliant with, *inter alia*, the provisions relating to the calculation of the of the annual percentage rate of charge (TAEG).
- (v) *Prior written notice of assignment* - Sub-section 11 of article 21 of law No. 142 of 19 February 1992 provides that claims arising from consumer credit agreement could be assigned only if the relevant debtor had received a 15 days' prior written notice. This provision has been repealed by the Consolidated Banking Act, with effect from the date on which the Bank of Italy issues the relevant implementing regulations, but no such regulations have ever been issued. Such provision seems to have been definitely repealed by the current legislation regulating consumer credit agreements, so it does not apply to Loans came into existence after the date of issuance of such legislation. Though, with reference to Loans existing as at such date, there is a risk that Debtors could raise a defence in any enforcement action taken by the Issuer, claiming that the assignment of the Receivables cannot be enforced against them, due to the missed notification of the relevant assignment.
- (vi) *Unfair terms in consumer contracts* - Article 33 of the Consumer Code provides that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith. No independent due diligence has been carried out in order to verify if any clause of the Loan Agreements may be qualified as unfair under article 33 of the Consumer Code; though, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that the Loan Agreements comply with all applicable laws and regulations.

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

The financial condition, results of operations and prospects of the Republic of Italy and companies incorporated in the Republic of Italy may be adversely affected by events outside their control, namely European law generally, any conflicts in the region or taxation and other political, economic or social developments in or affecting the Republic of Italy generally.

## **Change of law**

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

## **Potential Conflicts of Interest**

UniCredit Bank AG is the Sole Arranger and, through its Milan branch, the Sole Lead Manager in respect of the Securitisation. UniCredit S.p.A. is acting as Originator, Servicer, Account Bank, Cash Manager and Swap Counterparty and, through its London branch, as Cash Reserve Subordinated Loan Provider, Renegotiation Reserve Subordinated Loan Provider and Set-Off Reserve Subordinated Loan Provider pursuant to the relevant Transaction Documents. UniCredit Credit Management Bank S.p.A. is acting as Corporate Servicer pursuant to the relevant Transaction Documents. Each of these entities is part of UniCredit group. Conflicts of interest may potentially exist or may arise as a consequence of the various UniCredit group companies having different roles in this transaction.

## **Projections, forecast and estimates**

Any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

## **Forward-looking statements**

Words such as “intend(s)”, “aim(s)”, “expect(s)”, “will”, “may”, “believe(s)”, “should”, “anticipate(s)” or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

## THE MASTER PORTFOLIO

Pursuant to the Master Receivables Purchase Agreement, the Issuer has purchased the Initial Portfolio and may purchase Further Portfolios from the Originator together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments of any of the Receivables.

The Receivables comprised in the Initial Portfolio and in any Further Portfolio arise out of consumer loans contracts (*contratti di credito al consumo*) and other personal loans classified as at the relevant Valuation Date as performing by the Originator.

The Initial Portfolio includes, and any Further Portfolio may include, Receivables which have already come into existence as at the relevant Offer Date (the “**Existing Receivables**”) and Receivables arising from additional disbursement made under the relevant Loan Agreement where permitted thereunder (the “**Future Receivables**”). The Future Receivables coming into existence, if any, will be automatically transferred to the Issuer on the relevant Arising Date (if any) under the provisions of the Master Receivables Purchase Agreement and Italian law.

The Receivables comprised in the Master Portfolio will be selected on the basis of (i) certain common objective criteria listed in Schedule 1 to the Master Receivables Purchase Agreement (the “**Common Criteria**”) which shall apply to the Initial Portfolio and to any Further Portfolio and (ii) certain further objective criteria listed in Schedule 2 to the Master Receivables Purchase Agreement (the “**Specific Criteria**”). The Specific Criteria are split into “Part A Specific Criteria”, which shall apply to the Initial Portfolio and “Part B Specific Criteria”, which supplement the Common Criteria at the option of the Originator and the Issuer in respect of any Further Portfolio. Pursuant to the Master Receivables Purchase Agreement, further objective criteria (the “**Additional Criteria**” and, together with the Common Criteria and the Specific Criteria, the “**Criteria**”) may be agreed between the Issuer and the Originator from time to time to supplement the Specific Criteria in the selection of any Further Portfolio.

As at 1 July 2011, the aggregate of the Individual Purchase Price of all Receivables comprised in the Initial Portfolio amounted to €4,214,351,985.75.

The information relating to the Initial Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Initial Portfolio as at 1 July 2011.

### The Criteria

Pursuant to the Master Receivables Purchase Agreement, the Originator has sold and will sell to the Issuer and the Issuer has purchased and will purchase from the Originator all the Receivables arising from Loan Agreements which meet, as at the relevant Valuation Date, the following Common Criteria (to be considered cumulative unless otherwise specified) and Specific Criteria (to be considered cumulative unless otherwise specified):

#### Common Criteria

1. personal Loans granted to individuals;
2. Loans granted to one or more individuals, one of which (at least) results to be, pursuant to the last relevant communication given to the Originator, resident in Italy;

3. Loans which as at the Valuation Date have been fully drawn down, even if in several drawdowns;
4. Loans referred to as “Personal Loans” (“*Prestiti Personali*”), “Auto Loans” (“*Prestiti Auto*”) and “Purpose Loans” (“*Prestiti Finalizzati*”) arising from agreements concluded between the relevant Debtors and:
  - (a) UniCredit Family Financing S.p.A. through the branches belonging to:
    - (i) UniCredit Banca S.p.A., within the period starting from 9 June 2008 (included) and ending on 1 November 2010 (excluded); or
    - (ii) UniCredit Banca di Roma S.p.A., within the period starting from 25 August 2008 (included) and ending on 1 November 2010 (excluded); or
    - (iii) Banco di Sicilia S.p.A., within the period starting from 6 October 2008 (included) and ending on 1 November 2010 (excluded); or
  - (b) UniCredit Family Financing S.p.A. directly and not through the branches of UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A. and Banco di Sicilia S.p.A., within the period starting from 1 June 2009 (included) and ending on 1 November 2010 (excluded);
  - (c) UniCredit S.p.A., starting from 1 November 2010 (included);
5. Loans arising from Loan Agreements regulated by the laws of the Republic of Italy;
6. Loans denominated in euro;
7. Loans in respect of which at least an Instalment has become due and has been paid by the relevant Debtor (even if the relevant Instalment comprised an interest component only);
8. amortising Loans to be reimbursed in several instalments pursuant to one of the following amortisation plans, as shown as at the date of conclusion of the relevant Loan Agreement or as at the date of conclusion of the last agreement reached by the parties on the applicable amortisation plan, if any:
  - (i) amortising through constant instalments (the so called “*French amortising plan*”), i.e. an amortising plan which envisages the same initial amount for instalments consisting of a principal component and an interest component, regardless of any so called “*balloon final instalment*”, the amount of which may be different from the amounts of other instalments; or
  - (ii) amortising through instalments having a constant principal component (the so called “*Italian amortising plan*”), i.e. an amortising plan which envisages a principal component of the same amount for all the instalments, regardless of any so called “*balloon final instalment*”, the amount of which may be different from the amounts of other instalments;
9. Loans in respect of which the last Instalment is due on or before 31/8/2023.

Notwithstanding the above, loans which comply with the above Criteria as at the Valuation Date but possess also one or more of the following features as at such date (save as otherwise specified), shall not be transferred pursuant to the Transfer Agreement:

10. Loans which are performing but have been subject to restructuring or settlements after the date of their conclusion;
11. Loans in respect of which there has been the delivery of a notice to the relevant Debtors stating that such loans have been accelerated (*decadenza del debitore dal beneficio del termine*) as provided in the relevant Loan Agreement and formally requesting payment (*intimazione ad adempiere*);
12. Loans which have been granted pursuant to any law or rule which, from the beginning, provides for any advantageous financial terms and conditions, public financial contributions or grants of any kind, discounts pursuant to the law, contractually capped interest rates and/or any other provisions which result in advantageous repayment terms or reductions in payments for the relevant debtors or the relevant guarantors in relation to principal and/or interest;
13. Loans arising from Loan Agreements referred to as: "*UniCredit ad honorem*", "*Fondo Nuovi Nati*", "*Diamogli Credito*" or "*Credit Express Master*";
14. Loans in relation to which, as at the Valuation Date, the relevant Debtors are entitled to benefit from payment suspensions;
15. with reference to Loans providing, in relation to the Last Instalment, payment via direct debiting of a bank account opened with a branch of a bank belonging to the UniCredit Group, Loans that, as at the Valuation Date, had one or more due instalments (including the Last Instalment) that have not been fully or partially repaid;
16. with reference to Loans not providing, in relation to the Last Instalment, payment via direct debiting of a bank account opened with a branch of a bank belonging to UniCredit Group, Loans that, as at the Valuation Date, had one or more due instalments (including the Last Instalment) that have not been fully or partially repaid;
17. Loans granted to public entities;
18. Loans granted to Churches and other ecclesiastic entities;
19. Loans granted to limited or unlimited liability companies.

With reference to the above-mentioned paragraphs:

- (a) "**Last Instalment**" means the last instalment to fall due the Valuation Date.
- (b) "**UniCredit Family Financing S.p.A.**" means:
  - (i) from 9 June 2008 (included) to 31 March 2009 (included), UniCredit Consumer Financing Bank S.p.A.;
  - (ii) from 1 April 2009 (included) to 31 October 2010 (included), UniCredit Family Financing Bank S.p.A.

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

1. Loans having an Initial Outstanding Principal equal to or exceeding euro 1,000 and not exceeding euro 100,000;
2. Loans having an Outstanding Principal equal to or exceeding euro 100;
3. Loans to be repaid by the relevant Debtors via:
  - a. direct debiting of a bank account, or
  - b. direct debit (RID System);
4. Loans arising from Loan Agreements having a nominal annual rate (TAN) equal to or exceeding 3.00%;
5. Loans whose number of outstanding instalments is equal to or exceeding 1;
6. Loans whose number of outstanding instalments does not exceed 120.

Notwithstanding the above, loans which comply with the above Criteria as at the Valuation Date but possess also one or more of the following features as at such date (save as otherwise specified), shall not be transferred pursuant to the Transfer Agreement:

7. Loans granted to Debtors that are, as at 20 June 2011, directors and/or employees (including, without limitations, managers and officers) of UniCredit S.p.A. or other companies belonging to UniCredit Group;
8. Loans arising from Loan Agreements referred to as "*Personal Private Loan*";
9. amortising Loans to be reimbursed in several instalments, and that provide the payment of a so called "balloon last instalment", the amount of which may be different from the amounts of other instalments.

### **Specific Criteria in relation to Further Portfolios**

1. [Loans having an Initial Outstanding Principal [not exceeding/equal to/exceeding euro [•]];
2. [Loans having an Outstanding Principal [not exceeding/equal to/exceeding euro [•]];
3. [Loans to be repaid by the relevant Debtors via [direct debiting of a bank account / direct debit (RID System)/postal transfer];]
4. [Loans arising from Loan Agreements having a nominal annual rate (TAN) [not exceeding/equal to/exceeding euro [•]]%];]
5. [Loans that are to be repaid by the relevant Debtors via:
  - (i) direct debiting of a bank account,
  - (ii) direct debit (RID System) or
  - (iii) postal transfer;]
6. [Loans whose number of outstanding instalments exceeds [•]];



7. [Loans whose number of outstanding instalments does not exceed [•].]

Notwithstanding the above, loans which fall within the above Criteria as at the Valuation Date but possess also one or more of the following features as at such date (save as otherwise specified), shall not be transferred pursuant to the Transfer Agreement:

8. [all personal loans granted by UniCredit referred to as “[•]”];

9. [Loans whose last instalment matures after [•]/[•]/[•].]

10. [Loans granted to Debtors that are, as at [•]/[•]/[•], directors and/or employees (including managers and officers) of UniCredit S.p.A. or other companies belonging to UniCredit Group;]

11. [amortising Loans to be reimbursed in several instalments, and that provide the payment of a so called “*balloon last instalment*”, the amount of which may be different from the amounts of other instalments]

12. [Loans [referred to as “*Personal Loans*”, “*Auto Loans*” and “*Purpose Loans*”];]

13. [amortising Loans to be reimbursed in several instalments, and that provide the payment of a so called “*balloon last instalment*”, the amount of which may be different from the amounts of other instalments];

14. [Loans to be repaid by the relevant Debtors via means different from:

- (i) direct debiting of a bank account,
- (ii) direct debit (RID System) or
- (iii) postal transfer.

15. [Loans granted by [•] starting from [•].]

#### **Conditions for the purchase of Further Portfolios**

During the Revolving Period, Further Portfolios may only be offered or purchased if, on the relevant Offer Date, all of the following conditions are satisfied with respect to the offered Further Portfolio:

- (i) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Weighted Average Excess Spread of the Master Portfolio is not lower than the Minimum Weighted Average Excess Spread;
- (ii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the weighted average remaining maturity of the Receivables included in the Master Portfolio is not higher than the Maximum Residual Life;
- (iii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the balance of the Set-Off Reserve Account is equal to or higher than the Set-Off Reserve Required Amount;
- (iv) during the two consecutive Quarterly Collection Periods, no indemnity payment, for breach of representations and warranties given by the Originator in the Transaction Documents to which it is a party, in excess of the applicable Maximum Indemnity Amount has been requested;

- (v) the balance of the amounts standing to the credit of the Principal Accumulation Account is not higher than the Maximum Balance of the Principal Accumulation Account;
- (vi) the Cumulative Default Ratio calculated by reference to the immediately preceding Quarterly Collection Period is not higher than the Master Portfolio's Cumulative Default Ratio;
- (vii) the Arrears Ratio calculated by reference to the immediately preceding Quarterly Collection Period is not higher than the Master Portfolio's Arrears Ratio;
- (viii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors that pay via direct debit on an account with UniCredit S.p.A. is not higher than the Direct Debit Loans' Maximum Amount;
- (ix) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors that pay via direct debit on an account with UniCredit S.p.A. is not lower than the Direct Debit Loans' Minimum Amount;
- (x) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Personal Loans is not higher than the Personal Loans' Maximum Amount;
- (xi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Personal Loans is not lower than the Personal Loans' Minimum Amount;
- (xii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Auto Loans is not higher than the Auto Loans' Maximum Amount;
- (xiii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Auto Loans is not lower than the Auto Loans' Minimum Amount;
- (xiv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Purpose Loans is not higher than the Purpose Loans' Maximum Amount;
- (xv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Purpose Loans is not lower than the Purpose Loans' Minimum Amount;
- (xvi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Southern Regions is not higher than the Southern Regions Loans' Maximum Amount;
- (xvii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Southern Regions is not lower than the Southern Regions Loans' Minimum Amount;
- (xviii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Northern Regions is not higher than the Northern Regions Loans' Maximum Amount;

- (xix) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Northern Regions is not lower than the Northern Regions Loans' Minimum Amount;
- (xx) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Central Regions is not higher than the Central Regions Loans' Maximum Amount;
- (xxi) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Debtors resident or domiciled in Central Regions is not lower than the Central Regions Loans' Minimum Amount;
- (xxii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Banking Loans is not higher than the Banking Loans' Maximum Amount;
- (xxiii) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Master Portfolio's Outstanding Principal relating to Banking Loans is not lower than the Banking Loans' Minimum Amount;
- (xxiv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the aggregate of the Baloon Receivables comprised in the Master Portfolio is not higher than the Baloon Receivables Maximum Amount;
- (xxv) following the purchase of the relevant Further Portfolio, on the relevant Valuation Date, the Initial Set-Off Exposure is not higher than the Maximum Set-Off Exposure Amount;
- (xxvi) the Balance of the Principal Deficiency Ledger has not been negative for the Consecutive Payment Dates preceding the relevant Offer Date.

#### Characteristics of the Initial Portfolio

The following tables set out information on the characteristics of the Initial Portfolio derived from information provided by the Originator. The amounts, where relevant, are in Euro. The information in the following tables reflects the position as at the relevant Valuation Date. Certain monetary amounts and percentages included in this section have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

Product type	Outstanding Principal	%	Nr of loans	%
Personal Loans	3,764,045,511	89.77%	346,778	88.21%
Auto Loans	426,826,044	10.18%	45,487	11.57%
Purpose Loans	2,272,120	0.05%	864	0.22%
<b>Total</b>	<b>4,193,143,676</b>	<b>100%</b>	<b>393,129</b>	<b>100%</b>

Payment Type	Outstanding Principal	%	Nr of loans	%
Direct Debit (Unicredit)	3,566,108,541.44	85.05%	325,768.00	82.87%
Direct Debit	627,035,134.35	14.95%	67,361.00	17.13%
Postal Payment	-	0.00%	-	0.00%
<b>Totale</b>	<b>4,193,143,675.79</b>	<b>100%</b>	<b>393,129.00</b>	<b>100%</b>

Region	Outstanding Principal	%	Nr of loans	%
LAZIO	606,169,735	14.46%	52,240	13.29%
SICILIA	531,886,086	12.68%	43,641	11.10%
PIEMONTE	443,650,113	10.58%	44,815	11.40%
LOMBARDIA	413,855,101	9.87%	42,555	10.82%
EMILIA ROMAGNA	379,341,024	9.05%	39,389	10.02%
VENETO	369,249,261	8.81%	39,201	9.97%
CAMPANIA	340,799,959	8.13%	28,748	7.31%
PUGLIA	239,188,604	5.70%	20,318	5.17%
TOSCANA	157,931,506	3.77%	13,975	3.55%
FRIULI VENEZIA GIULIA	109,473,870	2.61%	11,627	2.96%
UMBRIA	105,862,519	2.52%	9,944	2.53%
CALABRIA	104,326,218	2.49%	8,885	2.26%
LIGURIA	82,718,779	1.97%	8,922	2.27%
SARDEGNA	78,220,737	1.87%	6,886	1.75%
MARCHE	75,269,082	1.80%	7,294	1.86%
ABRUZZO	52,645,359	1.26%	4,692	1.19%
TRENTINO ALTO ADIGE	38,123,076	0.91%	4,519	1.15%
MOLISE	30,837,618	0.74%	2,518	0.64%
VALLE D'AOSTA	18,182,641	0.43%	1,704	0.43%
BASILICATA	15,412,389	0.37%	1,256	0.32%
	<b>4,193,143,675.79</b>	<b>100%</b>	<b>393,129.00</b>	<b>100%</b>

Area	Outstanding Principal	%	Nr of loans	%
NORTH	1,854,593,865	44.23%	192,732	49.03%
CENTRE	1,028,715,819	24.53%	90,663	23.06%
SOUTH	1,309,833,992	31.24%	109,734	27.91%
<b>Totale</b>	<b>4,193,143,676</b>	<b>100%</b>	<b>393,129</b>	<b>100%</b>

Year of Origination	Outstanding Principal	%	Nr of loans	%
2008	219,771,034.40	5.24%	27,724	7.05%
2009	1,057,683,387.68	25.22%	105,570	26.85%
2010	1,782,113,071.52	42.50%	166,524	42.36%
2011	1,133,576,182.19	27.03%	93,311	23.74%
<b>Total</b>	<b>4,193,143,675.79</b>	<b>100%</b>	<b>393,129</b>	<b>100%</b>

Installment Frequency	Outstanding Principal	%	Nr of loans	%
Monthly	4,193,143,675.79	100%	393,129.00	100%

During the Revolving Period, the Issuer will purchase Further Portfolios from UniCredit S.p.A., subject to certain conditions set out in the Master Receivables Purchase Agreement. Although the Further Portfolios shall satisfy certain criteria, there can be no assurance that such Further Portfolios will have the same characteristics as the Initial Portfolio described in the preceding tables.

# THE ORIGINATOR, THE SERVICER, THE ACCOUNT BANK AND THE SWAP COUNTERPARTY

## Description of UniCredit and the UniCredit Group

UniCredit S.p.A. ("**UniCredit**"), established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100, is incorporated as a joint-stock company under Italian law, with registered office at Via A. Specchi, 16, 00186, Rome, Italy and is registered with the Company Register of Rome under registration number, fiscal code and VAT number 00348170101. UniCredit is registered with the National Register of Banks and is the parent company of the UniCredit Group. UniCredit head office and principal centre of business is at Piazza Cordusio, 20123, Milan, Italy, telephone number +39 028862 8715 (Investor Relations). The fully issued and paid-up share capital of UniCredit as at 31 March 2011 amounted to € 9,649,245,346.50.

The *Gruppo UniCredit*, registered with the Register of Banking Groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 02008.1 (the "**Group**" or the "**UniCredit Group**" ), is a leading global financial institution with an established presence in 22 countries through local domestic banks and an extensive international presence via representative offices, branches and specialised banks. In particular, the Group is strategically positioned in its primary markets where it has become a market leader in several geographic areas such as Italy, southern Germany, Austria, Poland and central-eastern Europe, where the Group is a market leader.

The Group focuses on full-service financial services and is engaged in a wide range of banking, financial and related activities (including deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches) throughout Italy, Germany, Austria, Poland and other Eastern and Central European countries.

The Group serves its customers through its multi-channel distribution network comprising as at 31 December 2010 over 9,600 branches across 22 countries and a network of licensed financial consultants (*promotori finanziari*) operating in Italy, as well as internet and telephone banking capabilities.

At 31 December 2010, the Group had more than 162.000 (full-time equivalent) employees.

## HISTORY AND DEVELOPMENT

The Group's origins lie with the creation of Rolo Banca in 1473, over five centuries ago, when the public pawn broking institution Monte di Pietà was set up in Bologna. In more recent times, the UniCredit Group was formed by the merger of nine of the main Italian banks, and subsequent incorporation with the German group HVB and the Italian group Capitalia.

In 1999, UniCredito Italiano, as it was then known, began its expansion in Central and Eastern Europe with the acquisition of the Polish Bank Pekao. Growth continued over the next few years with the purchase of the Pioneer Investment group, and the subsequent formation of Pioneer Global Asset Management, and further strategic acquisitions in Bulgaria, Slovakia, Croatia, Romania, Czech Republic and Turkey.

In 2005, UniCredit merged with the German group HVB, itself formed in 1998 by the aggregation of two Bavarian banks: Bayerische Vereinsbank and Bayerische Hypotheken-und Wechsel-Bank,

resulting in a single, major European bank. Integration with the HVB Group, enabled further growth for the UniCredit Group, thus building on its own European vocation.

In 2007, by aggregation with the Capitalia Group, the then third Italian banking group, UniCredit Group consolidated and strengthened its position in one of its most important domestic markets, Italy.

### **The ONE4C Programme**

In 2010 UniCredit approved and implemented the ONE4C (*“One for Clients”*) project, whereby - inter alia - UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A., UniCredit Corporate Banking S.p.A., UniCredit Private Banking S.p.A., UniCredit Family Financing Bank S.p.A. and UniCredit Bancassurance Management & Administration S.c.r.l. were merged by incorporation into UniCredit S.p.A.

The *“One for Clients”* project aims to enhance customer satisfaction by simplifying the bank’s corporate structure and increasing proximity to the territories and communities served.

### **THE CURRENT ORGANISATIONAL STRUCTURE**

UniCredit is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions vis-à-vis its subsidiary banking, financial and instrumental companies.

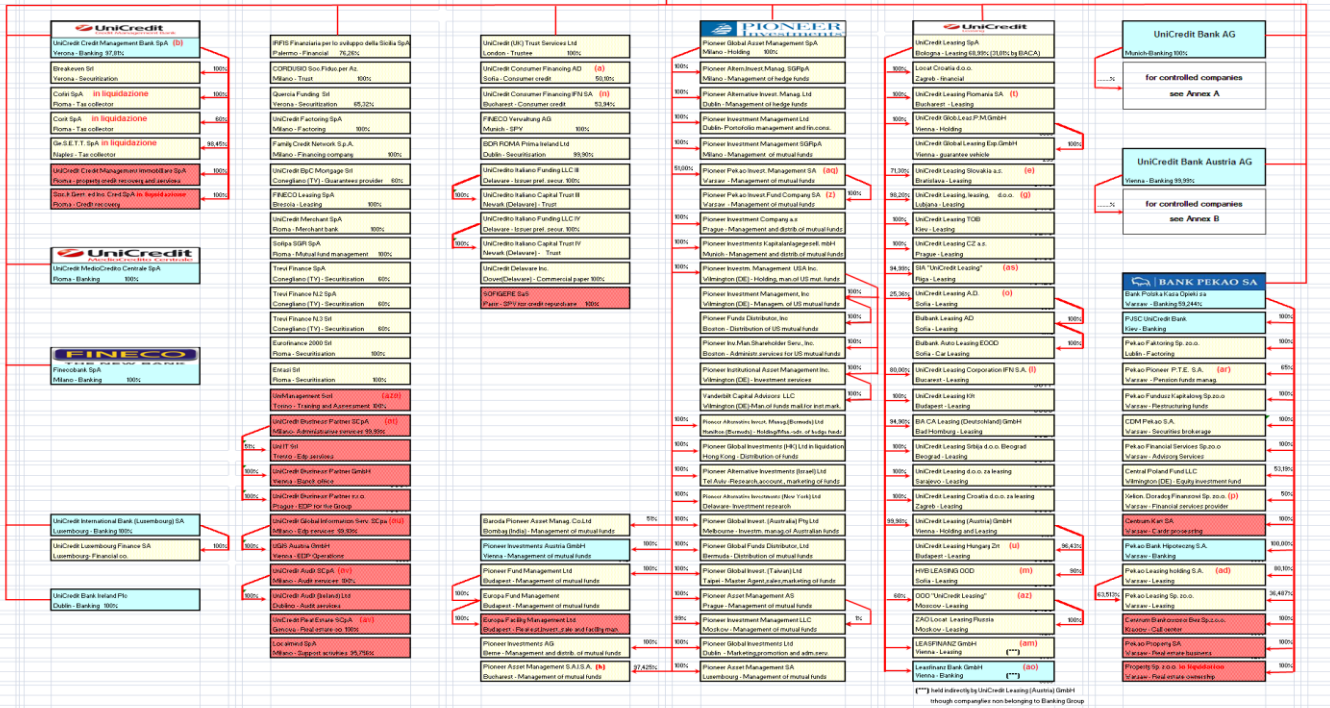
UniCredit, as a bank which undertakes management and coordination activities for the UniCredit Group, pursuant to the provisions of article 61 of the Consolidated Banking Act, issues - when exercising the management and coordination activities - instructions to the other members of the banking group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group’s stability.

The organization chart of the main banking group companies as at 25 July 2011 is as follows.

Banking Group (cod. 2008.1)



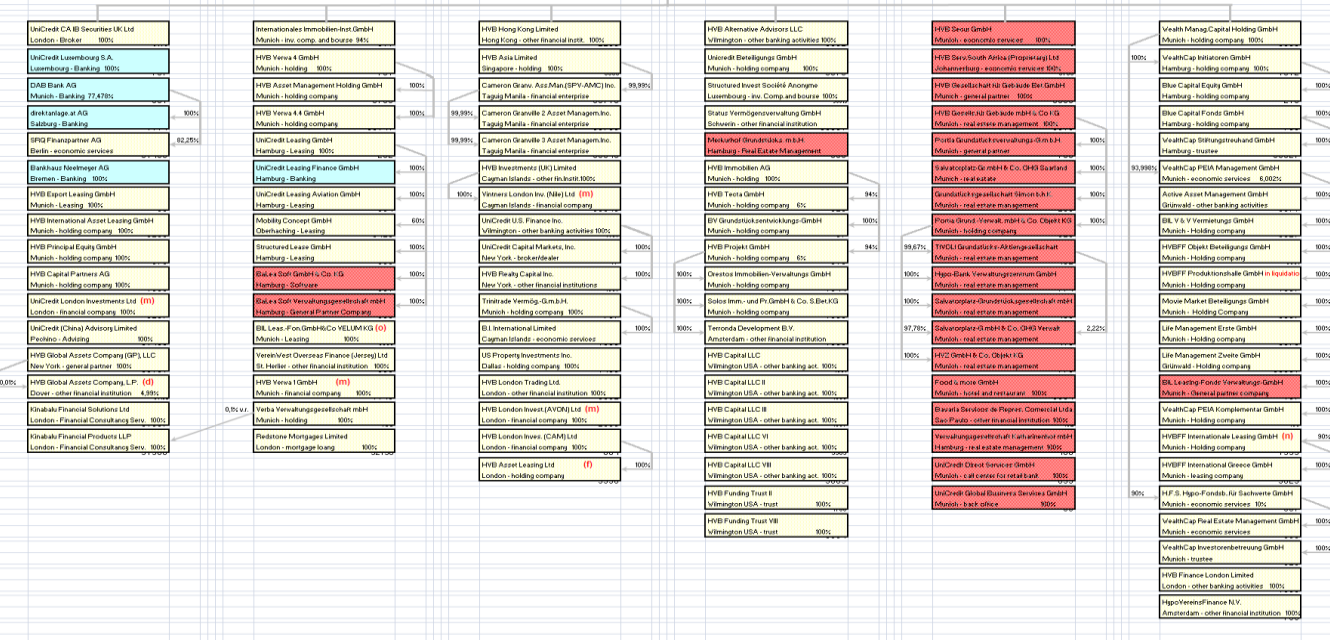
Chart del Gruppo Bancario UniCredit - Banking Group Chart



(a) 49.9% held by UniCredit Bulbank Ltd (b) # 175,000 shares owned by UniCredit Credit Management Bank SpA (c) to be included in the Banking Group (d) 8.8% held by UniCredit Leasing CZ a.s. (1618). 19.90% held by UniCredit Bank Slovakia a.s. (10062 BA) (g) 1.80% held by UniCredit Bank Slovenia DOO (270 BA) (h) 2.273% held by UniCredit Tricard Bank SA (10028) (i) 20% held by UniCredit Tricard Bank SA (10028) (m) 10% held by UniCredit Bulbank Ltd (10073 BA) (n) 46.06% held by UniCredit Tricard Bank SA (a) 24.37% held by UniCredit Bulbank Ltd (10073 BA) (o) 40.22% held by HVB Leasing OOD and 10.95% held by UniCredit Global Leasing Versicherungsservice GmbH (p) 50% owned directly by UniCredit (l) UniCredit Tricard Bank holds one share of the company (u) 3.57% held by BA Eurolease Beteiligungsgesellschaft m.b.H. (213) (z) in Polish Pioneer Pekao TFI SA (aa) 19.90 held by UniCredit Leasing SpA (bb) held 100% by # 10040 LP Beteiligungs GmbH (ac) held 100% by # 6424 BACA Leasing Utdeltagsmanagement GmbH (ad) 40% held by Bank Pekao SA (ae) 25% held by Pioneer Global Asset Management SpA (af) 0.01% held by AS UniCredit Bank (10268 BA) (af) Other companies belonging to the Banking Group (ag) Other companies belonging to UniCredit Group and a third party hold 10/20 shares of the company (av) Other companies belonging to UniCredit Group hold 20 shares of the company (az) 40% held by Zao UniCredit Bank (BA) (azaa) 10 shares held by UniCredit Global Information

Annex A

UNICREDIT BANK AG



(d) HVB has the power to nominate all Members of the Board (h) to be included in the Banking Group (m) not operative (n) 10% held by HVBF Objekt Beteiligungs GmbH (3631) (o) Voting rights held by UCB AG (33.33%) and by #197 BIL Leasing-Fonds Verwaltungs GmbH (33.33%)

Companies belonging to the Banking Group  
 banking  
 financial  
 investment  
 Updated July 25th 2011

Annex B

UNICREDIT BANK AUSTRIA AG

<p>UniCredit Tirol Bank S.A. (a) 50.62%</p> <p>UniCredit Bank Slovakia CO Ltd/Bratislava - Banking - 99.99%</p> <p>Apex Capital Services Ltd (Georgien) (Grand C) - Banking - 100%</p> <p>BA CA Finance (Cyprian) Limited (George Tom) (Grand C) - Holding/hold C - 100%</p> <p>BA CA Finance (Cyprian) Limited (George Tom) (Grand C) - Holding/hold C - 100%</p> <p>UniCredit Bank Czech Republic a.s. Prague - Banking - 100%</p> <p>UniCredit Bank Hungary Zrt Budapest - Banking - 100%</p> <p>Cap Hedge PT Biological Lizing of Brno a.s. Hungary - 100%</p> <p>UniCredit Helvetiabank Zrt Budapest - Banking - 100%</p> <p>Arany Pénzügyi Lizing Zrt Budapest - Lizing - 100%</p> <p>UniCredit Bank Serbia Jsc Belgrade - Banking - 100%</p> <p>UniCredit Bank Slovakia AS Bratislava - Banking - 99.97%</p> <p>EM Invest and management AG Vienna - Private equity business - 38%</p> <p>Bank Austria CEE Beteiligungs GmbH Vienna - Holding - 100%</p> <p>BA - Alpha Holdings, Inc Wilmington (USA) - holding company - 100%</p>	<p>UniCredit Bubaubid (HU) Sofia - Banking - 92.07%</p> <p>UniCredit Factoring EAD Sofia - Factoring - 100%</p> <p>Ngigovena Modron TOCO Ltd - Real estate services - 100%</p> <p>UniCredit Bank a.d. Banja Luka Banja Luka - Banking - 99.97%</p> <p>Faxov/Bank Aklengoe/Boschak Vienna - Factoring - 100%</p> <p>Schoellerbank Altonengesehakt Vienna - Private Bank - 100%</p> <p>Schoellerbank Invest AG Salzburg - Investment company - 100%</p> <p>*Cap Vermögensverwakt GmbH Vienna - Holding - 100%</p> <p>*Cap Vermögens GmbH Co.ODS Vienna - Investment management - 100%</p> <p>Palau Prolux/Real Verm GmbH &amp; Co. OG Vienna - Real estate services - 100%</p> <p>Palau Prolux/Real Verm GmbH Vienna - Real estate services - 100%</p> <p>Bank R.E.I.O.S.A.MEDABANK in Liquidat. Vazcar - Banking - 100%</p> <p>Card complete Service Bank AG Vienna - Issuing of credit cards - 99.99%</p> <p>Mozartbank Finanzierungs AG Vazcar - Issuing of mortgage loans - 96.87%</p> <p>Bank Austria Volksbank AG Vienna - Real estate services - 100%</p> <p>P.JSC "Fininvest/Investment" Kiev - Holding - 100%</p> <p>Public Joint Stock Company "Ukrcreditbank" Kiev - Banking - 28.99%</p> <p>Ukrcreditbank JSC Limited Kiev - financial - 100%</p> <p>LTU SNC AMC "Ikonos real estate" Kiev - investment funds management - 99.97%</p>	<p>AG UniCredit Bank Regio - Banking - 100%</p> <p>Bank Austria Real Invest GmbH Vienna - Real estate investment - 99.99%</p> <p>Bank Austria Real Invest Holding GmbH Vienna - Real estate investment - 99.99%</p> <p>Bank Austria Real Invest Client Investm. GmbH Vienna - investment subsidiary - 100%</p> <p>Innovative Funding GmbH (a) Vienna - Real estate services - 99.99%</p> <p>M.A.I.L. Finanzberatung GmbH (a) Vienna - Holding - 99.99%</p> <p>SFB Financial Services GmbH Vienna - investment subsidiary - 100%</p> <p>Real Invest Immobilien GmbH Vienna - Real estate holding - 100%</p> <p>Fincoconsult Beteiligungsge. m.b.H. Vienna - Holding - 100%</p> <p>BWB Consulting GmbH Vienna - Business Consulting - 100%</p> <p>Fincoconsult Beteiligungsge. GmbH Vienna - Holding - 100%</p> <p>Bank Austria Fincoconsult GmbH Vienna - Mobile Sales and distribution - 100%</p> <p>Diners Club CEE Holding AG Vienna - Holding - 99.99%</p> <p>Diners Club Polska Sp.z o.o. Vazcar - Credit cards - 100%</p> <p>Diners Club CE Sp.z o.o. Bratislava - Credit cards - 100%</p> <p>P.JSC "Fininvest/Investment" Kiev - Cards business - 92%</p>	<p>BA-CA Markets &amp; Investment Etc GmbH Vienna - Holding - 100%</p> <p>CEK&amp;KCH Investments GmbH Vienna - Financial - 100%</p> <p>UniCredit CA B Securities Romania S.A. (a) Bucharest - Broker - 100%</p> <p>UniCredit CA B Poland SA Warsaw - Holding - 100%</p> <p>AI Beteiligungs GmbH Vienna - Holding - 100%</p> <p>UniCredit Securities International Limited Monaco - broker - 100%</p> <p>Classed Joint Stock Co. UniCredit Securities Monaco - broker - 99.99%</p> <p>United Trading Comp "M Line" (LLC "M Line") Monaco - broker - 100%</p> <p>Lower Limited Monaco - investment firm - 100%</p> <p>Makinvest Limited Monaco - investment firm - 100%</p> <p>CABET Holding - Altonengesehakt Vienna - Holding - 100%</p> <p>Evocoverance Austria CA Manag. GmbH Vienna - holding real estate - 100%</p> <p>CARD Beteiligungsge. m.b.H. Vienna - Holding - 100%</p> <p>COBIB Beteiligungs- und Leasing GmbH Vienna - Holding - 99.99%</p> <p>UniCredit CAB Slovakia a.s. Bratislava - Advisory Corp. Fin. Serv. - 100%</p> <p>UniCredit CA B Romania SPS Bucharest - Advisory Corp. Fin. Serv. - 99.99%</p> <p>UniCredit CAB Slovenia d.o.o. Ljubljana - Advisory Corp. Fin. Serv. - 100%</p> <p>UniCredit CAB Serbia Ltd. Belgrade Belgrade - Advisory Corp. Fin. Serv. - 100%</p> <p>UniCredit CA B Bulgaria EOOD Sofia - Advisory Corp. Fin. Serv. - 100%</p> <p>UniCredit CAB Czech Republic a.s. Prague - Adv. Corp. Fin. Serv. - 100%</p> <p>UniCredit CAB Hungary Ltd Budapest - Advisory Corp. Fin. Serv. - 100%</p>	<p>ZAG UniCredit Bank Moscow - Banking - 100%</p> <p>ZAG "MB Leasing" Moscow - Leasing - 100%</p> <p>UCCP Advisors Moscow - Real Estate management - 100%</p> <p>Zagrebacka Bank d.d. Zagreb - Banking - 99.479%</p> <p>Pliva Stambena Sredstvo d.d. Zagreb - Banking - 100%</p> <p>UniCredit Bank d.d. Murina Bank 24.481% - 24.283% (MCI 2.87% (v. 3.88%)) - 85.83%</p> <p>SPF Postlovd System G.O.D. Zagreb - Services - 100%</p> <p>Cap BMO Ltd Zagreb - Real estate manag. - 100%</p> <p>Zagrebacka d.o.o. Zagreb - Real estate manag. - 100%</p> <p>ZB Invest d.o.o. Zagreb - Real estate manag. - 100%</p> <p>Mehring Zagreb Bank a.s. 1.1. - 99.9% Zagreb - Publishing/marketing services - 100%</p> <p>Forminvest d.o.o. (a) Zagreb - Real estate manag. - 99.99%</p> <p>JSC ATF Bank Alanya - Banking - 99.67% (voting rights 99.739%)</p> <p>CJSC Bank Iste Ruzica - Banking - 100%</p> <p>UniCredit Bank DJSC Ujgarden - Banking - 97.94%</p> <p>ATF Capital B.V. Hofland - financial - 100%</p> <p>ATF Finance JSC Karabakur - financial - 100%</p> <p>ATF Inkascope LTD Luchemburg - cash holding - 100%</p>	<p>BA Beteiligungsge. GmbH Vienna - Private equity business - 100%</p> <p>BA Beteiligungsge. Praha spol.s r.o. Prague - Real estate services - 100%</p> <p>BA Beteiligungsge. Co.ODS (v. 99.9%) Vienna - Private equity business - 99.99%</p> <p>MY Drei Handels GmbH (a) Vienna - Real estate services - 100%</p> <p>DODAS FACILITY MANAGEMENT GmbH Vienna - Facility management - 100%</p> <p>BA Beteiligungsge. GmbH Vienna - Holding - 100%</p> <p>Donner Cee Participations GmbH Vienna - Private equity holding (in BA CA) - 100%</p> <p>FLER 25 Immobilienmanagement GmbH Vienna - Real estate services - 99.99% (v. 99.9%)</p> <p>FLER 25 Lagernebenbetriebsmanagement GmbH Vienna - Private equity business - 100%</p> <p>BA Private Equity GmbH Vienna - Private equity business - 100%</p> <p>Leasent/Leas. Plat. E. und F. in d.H. Vienna - Private equity business - 99.99% (v. 99.9%)</p> <p>Alman Partners Service and Invest GmbH Vienna - Private equity business - 100%</p>
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Companies belonging to the Banking Group

Banking
Financial
Investment

Updated July 25th 2011

a) % considering shares held by other Companies controlled by BA b) 19.98% held by UniCredit Tirol Bank SA (10028) (a) to be included in the Banking Group (m) 19% held by BA and 19% held by UniCredit Leasing (Austria) GmbH (6193) (n) 0.05% held by Fincoconsult Beteiligungsge. m.b.H. (87) (d) 100% voting rights held by Grunderfonds GmbH (9631) (r) 5% held by card complete Service Bank AG (62) (l) 1% held by Diners Club CEE Holding AG (6338) (ad) 0, 1% held by My Drei Handels GmbH (9384) (at) % on share capital 88.95 of voting rights (au) 0.004% held by UniCredit (zz) not operative



## STRATEGY OF THE GROUP

As the parent company of the Group, pursuant to the provisions of article 61 of the Banking Act and in compliance with local law and regulations, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

UniCredit engages in the following main strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each area of business and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resources management, risk management, accounting and auditing;
- managing relations with financial intermediaries, the general public and investors;
- managing selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale, including asset and liability management, funding and treasury activities and the Group's foreign branches; and
- directly managing business operations in Italy from November 1st 2010, following absorption of the Group's Italian banks<sup>1</sup> under the "One for clients" project.

Furthermore, UniCredit intends to create value by pursuing the following principal strategic initiatives at the Group level:

- leveraging on its business model based on diversification both geographically and in terms of business;
- further increasing cost efficiency and simplification in Group structure and intra-group services;
- leveraging on global product lines throughout the Group's commercial networks;
- optimising the return on risk-weighted assets, while strengthening the Group's capital ratios, through a highly selective investment policy and a strong focus on risk-monitoring processes;
- strengthening profitability and cost control in Western Europe with a constant and strong commitment to support both families and companies;
- further strengthening the Group's results in Central and Eastern Europe while keeping risks under strict control; and

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<sup>1</sup> UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank, UniCredit Bancassurance Management & Administration.

- greater focus on customer needs and increased closeness to local markets through its “One for Clients” project.

The principal strategic objectives of each of the UniCredit Group’s business segments are as follows<sup>2</sup>:

- **Families & SME:** to enable individuals, families, small business customers and Small and Medium Enterprises (SME) to satisfy their financial needs by offering them a complete range of high-quality, reliable products and services at competitive prices. The Families & SME Division’s strength stems from several sources, the two main drivers being the expertise of our people and the focus centred on customer satisfaction throughout the organisation. Families & SME is also leveraging on its international geographical presence by providing state of the art cross border business services with dedicated desks to the customers. The Families & SME Division carries out its specialized product offer and cross border marketing functions with the primary objective of achieving a true European Families & SME strategy, based on:
  - excellent quality products and services that are reliable and transparent and that meet financing and investment needs, leveraging among other things on specialized product “factories” (e.g. UniCredit Leasing, UniCredit Factoring);
  - transnational services with a good quality to price ratio given the value gained;
  - satisfaction of customers’ needs at the nearest service point and with a differentiated approach according to service model, depending on segment, type of customer and relevant channel;
  - greater focus on customer satisfaction at all levels of the Division;
- **Corporate & Investment Banking (“CIB”):** to support the growth and internationalisation efforts of the UniCredit Group core corporate and institutional clients, leveraging on an unmatched customer proximity and exploiting, by means of its distribution capabilities, the excellence of its product lines and coordinating in a highly synergic manner the origination, execution and management competences of its coverage units and product lines. In particular, CIB’s objectives are:
  - to become the point of reference for the corporate clients that operate in the Group core markets, by engineering and distributing high added value standard products and tailor-made solutions, promoting the diffusion of know-how on specialised products and the development of global businesses; and
  - to consolidate its position as a leading European regional specialist in global financial markets and investment banking services, primarily focusing on the countries where the Group is active
- **Private Banking:** to establish a pan-European platform offering sophisticated high-value added services to high-net-worth individual customers. Private Banking can leverage on well established networks in Germany, Italy, Austria, Poland and on an international competence centre in Luxembourg;

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<sup>2</sup> The composition of the business segments presented in this section is in line with the current management reporting of Group’s results at 31 March 2011

- **Asset Management:** : in 2010 UniCredit initiated a project of strategic review to identify of the best strategic option to improve efficiency of Pioneer Investments and to maximize value for both customers and shareholders. Following a deep analysis of all the benefits tied to each possible strategy for its own asset management, on 21 April 2011 UniCredit announced that organic growth is the best strategic solution for Pioneer Investments, also in light of the market's growth in the last twelve months. Pioneer Investments is already developing an organic growth process, as can be seen from the noticeable improvement in financial indicators, by developing a strategic plan which will further enhance the quality of Pioneer Investments' product offering while maintaining focus on delivering an outstanding level of client service; and
- **Central and Eastern Europe ("CEE"):** to continue to focus on organic growth while strengthening both risk control and efficiency. In the CEE region, UniCredit relies on the extension of business platforms, know-how and best practices developed within the Group, which, combined with a strong knowledge of local markets, enables UniCredit to offer state of the art products and services to its individual, corporate, private banking and institutional customers. The business platforms of Asset Management, Leasing and Global Transaction Banking reach almost full coverage in the region.

## BUSINESS AREAS

### Family & Small Medium Enterprise Division (F&SME)

The F&SME Division is composed of several core functions with different roles.

The objective of the Business Lines *F&SME Network in Italy, Germany, Austria and Poland* is to be the preferred banking partner for customers in the mass market, affluent, small and medium enterprise segments, to contribute to sustainable growth in market share and returns as a result of high levels of customer satisfaction.

The Product Line *Consumer Finance* seeks to leverage on the Group's network and to create a world-class global product factory in consumer loans and revolving cards. The business is currently active in Italy, Germany, Poland, Romania, Bulgaria and Russia.

The Product Line *Leasing* is responsible for co-ordinating all activities for the structuring, pricing and sale of leasing products in the Group with its own distribution network, which operates in close co-operation with the Group's banking network.

The Product Line *Factoring* is responsible for co-ordinating all Group activities for the provision of factoring services, consisting in the extending of credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit by assigning their invoices and benefitting from a series of additional services, including management, collection and credit insurance.

*Asset Gathering* includes specialised banks (FinecoBank in Italy, DAB Bank in Germany and DAT Bank in Austria) that offer the banking and investment services of traditional banks, and which differentiate themselves by virtue of their specialisation in the online trading business and their emphasis on technological innovation. Moreover, *Asset Gathering* uses its network of independent financial advisors to provide innovative and qualified financial services, thanks to a range of multibrand products characterised by efficiency and specialisation.

The Key Business Function *Global Retail Marketing & Segments* takes a global approach to segment and product management, transfers expertise between countries and creates synergies capable of providing to the clients the best current account services, investment and credit products. The Key Business Function *CRM and Multichannel Banking* is responsible for developing and implementing an integrated strategy among the different distribution channels as well as to manage and coordinate CRM.

### **Corporate & Investment Banking**

Through its locally dedicated networks, Corporate & Investment Banking (**CIB**) is responsible for the delivery to corporates, banks and financial institutions of a broad variety of financial services, including lending and other traditional commercial banking services, project finance, acquisition finance and other high added value services, leveraging on the expertise and product offer of its dedicated Product Lines: Financing & Advisory, Global Transaction Banking and Markets.

**Financing and Advisory** is the centre of expertise and excellence for all business operations, specialising in lending and advisory services to corporate and institutional customers with a range of offerings extending to more sophisticated products such as Corporate Finance and Advisory, Syndications, Leveraged Buy-Out, Project and Commodity Finance, Real Estate Financing, Shipping Finance and Principal Investments.

The **Global Transaction Banking** Product Line offers products, services and solutions for cash management, e-banking, trade finance, supply chain management and securities services, as well as complex structured trade and export finance solutions. This international business area, targeting both corporate customers and financial institutions, has expanded its service model and operations to 22 countries (through Group banks) with a sales organisation consisting of about 2,000 dedicated specialists and over 4,000 correspondent banks.

**Markets** is the “competence centre” for all financial markets activities across the UniCredit Group’s companies. It is an integral part of the UniCredit Group, leveraging on the existing Group platform and client franchises serving as the Group’s access to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised “product line”, Markets is responsible for the direct and global coordination of all financial markets-related activities, which include structuring, distribution and trading of interest rate, FX, equity, credit and capital markets products, covering both primary and secondary markets.

### **Private Banking**

The Private Banking Business Unit is dedicated to high-net-worth clients and aims to be the trusted private banker of families, entrepreneurs and self-employed professionals. The Business Unit achieves this by offering high-value-added advisory services and solutions based on long-standing local relationships managed by private bankers with consolidated professional expertise and on the Group’s international know-how. Its strength is the ability to use a 360-degree approach to protect and increase wealth, to maximise the value of all kinds of assets by recourse to an independent selection of a wide range of financial and non-financial products and services, jointly with accurate risk monitoring and management.

## **Asset Management**

The Asset Management Product Line coordinates the fund and asset management activities of the Group in all geographic markets, including Poland and the whole CEE region, through a specialised sub-holding company, Pioneer Global Asset Management S.p.A., and its subsidiaries (**Pioneer**). Pioneer has been focusing on customer wealth protection and growth since its foundation in 1928, and is a global trader managing approximately €180 billion.

Thanks to its partnership with leading financial institutions around the world, Pioneer is able to offer a complete, innovative range of financial solutions, which include mutual funds, hedge funds, wealth management, institutional portfolios and structured products.

## **Central and Eastern Europe (CEE)**

Bank Austria acts as a sub-holding for the Group's banking activities in CEE. The UniCredit Group, being a market leader in CEE, has a very strong regional network, in terms of assets, countries in which it is present and number of branches. A comprehensive range of financial products and services is offered to the Group's retail, corporate, private banking and institutional customers through a network of approximately 2,800 branches in 18 countries (excluding Poland's network of approximately 1,000 branches which is managed by the business areas described above): Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine (Ukrsotsbank).

## **LEGAL PROCEEDINGS**

There are pending lawsuits against UniCredit S.p.A. and other UniCredit Group companies.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings by the supervisory authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating any losses in a reliable manner, no provisions are made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with IAS international accounting standards.

To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit Group has set aside a provision for risks of charges of € 1.387 million as at 31 December 2010. However, it is possible that this provision may not be sufficient to entirely meet the legal charges and the fines and penalties requested in pending legal actions.

Therefore, it may occur that a negative outcome for said proceedings could have a harmful effect on the financial situation of the UniCredit Group.

## **CORPORATE OBJECTS**

The purpose of UniCredit, as set out in Article 4 of its Articles of Association, is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice, and to execute all permitted transactions and services of a banking and

financial nature. In order to achieve its corporate purpose, UniCredit may engage in any activity that is instrumental or in any case related to its banking and financial activities, including the issue of bonds and the acquisition of shareholding in Italy and abroad.

## MAJOR SHAREHOLDERS

As at 25 July 2011 UniCredit share capital, fully subscribed and paid-up, amounted to €9,649,245,346.50 and was divided into 19,298,490,693 shares of € 0.50 each, including 19,274,251,710 ordinary shares and 24,238,983 savings shares.

As at 25 July 2011, the main shareholders were as follows:

Main Shareholders	Ordinary Shares	%*
<i>Mediobanca S.p.A. – Piazzetta E. Cuccia, 1 – Milan .....</i>	1,031,986,580	5.354%
<i>(of which with right of usufruct in favour of UniCredit S.p.A.) .....</i>	967,564,061	5.020%
<i>Aabar Luxembourg Sarl .....</i>	962,000,000	4.991%
<i>Central Bank of Libya Group.....</i>	961,421,874	4.988%
<i>Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona - Via Forti Achille, 3/A, Verona, Italy .....</i>	811,550,000	4.211%
<i>BlackRock Inc. ....</i>	775,638,495	4.024%
<i>Fondazione Cassa di Risparmio di Torino - Via XX Settembre, 31, Torino, Italy....</i>	639,734,920	3.319%
<i>Carimonte Holding S.p.A. - Via Indipendenza, 11, Bologna, Italy .....</i>	557,706,383	2.894%
<i>Libyan Investment Authority.....</i>	500,000,000	2.594%
<i>Gruppo Allianz.....</i>	393,825,802	2.043%
<i>Norges Bank .....</i>	387,428,758	2.010%

\* As a percentage of ordinary capital.

Pursuant to Clause 5 of UniCredit Articles of Association, no one entitled to vote may vote, for any title whatsoever, for a number of company shares exceeding five per cent. of the share capital bearing voting rights. For the purpose of computing said threshold, one must take into account the global stake held by the controlling party, (be it a private individual, legal entity or company), all subsidiaries – both direct and indirect – and affiliates, as well as those shares held through trustee companies and/or third parties and/or those shares whose voting rights are attributed for any purpose or reason to a party other than their owner; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates, on the other hand, must not be taken into consideration.

On 11 March 2011, in light of the resolution by the EU published in the same date, UniCredit announced that, – with regards to its Libyan shareholders – the exercise of the rights attached to the relevant shares are frozen in compliance with such resolutions.

## MANAGEMENT OF UNICREDIT

### Board of Directors

The board of directors (the “**Board**” or the “**Board of Directors**”) of UniCredit is responsible for the strategic supervision and the management of UniCredit and the Group. The Board may delegate its powers to the Managing Director and other Board members.

The Board is elected by UniCredit shareholders at a general meeting for a term of three financial years, unless a shorter term is established upon their appointment, and Directors may be re-elected. The Board is composed of between nine and twenty-four Directors.

The Board in office is composed of 22 members whose term will expire on the date of the annual general meeting of UniCredit shareholders called to approve the UniCredit financial statements for the fiscal year ending 31 December 2011. The Board has appointed Federico Ghizzoni as Chief Executive Officer. The following table sets out the name and position of the current members of the Board:

<b>Name</b>	<b>Position</b>
<i>Dieter Rampl (2)</i>	<i>Chairman</i>
<i>Luigi Castelletti (1)</i>	<i>Deputy Vice Chairman</i>
<i>Farhat Omar Bengdara (1)</i>	<i>Vice Chairman</i>
<i>Vincenzo Calandra Buonauro (1)</i>	<i>Vice Chairman</i>
<i>Fabrizio Palenzona (2)</i>	<i>Vice Chairman</i>
<i>Federico Ghizzoni (3)</i>	<i>CEO</i>
<i>Giovanni Belluzzi (1)</i>	<i>Director</i>
<i>Manfred Bischoff (1)</i>	<i>Director</i>
<i>Enrico Tommaso Cucchiani (3)</i>	<i>Director</i>
<i>Donato Fontanesi (1)</i>	<i>Director</i>
<i>Francesco Giacomini (2)</i>	<i>Director</i>
<i>Piero Gnudi (1)</i>	<i>Director</i>
<i>Friedrich Kadrnoska (1)</i>	<i>Director</i>
<i>Marianna Li Calzi (1)</i>	<i>Director</i>
<i>Luigi Maramotti (1)</i>	<i>Director</i>
<i>Antonio Maria Marocco (1)</i>	<i>Director</i>
<i>Carlo Pesenti (1)</i>	<i>Director</i>
<i>Lucrezia Reichlin (1)</i>	<i>Director</i>
<i>Hans-Jürgen Schinzler (1)</i>	<i>Director</i>
<i>Theodor Waigel (1)</i>	<i>Director</i>
<i>Anthony Wyand (1)</i>	<i>Director</i>
<i>Franz Zwickl (1)</i>	<i>Director</i>

(1) Independent Directors pursuant to Section 3 of the Corporate Governance Code issued by Borsa Italiana and Article 148 of the Financial Services Act

(2) Not Independent Directors pursuant to section 3 of the Corporate Governance Code

(3) Not Independent Director pursuant to section 3 of the Corporate Governance Code and article 148 of the Financial Services Act

The business address for each of the foregoing Directors is UniCredit S.p.A., Head Office Via San Protaso, 3, 20121, Milan, Italy.

## Senior Management

The Board appoints the top executives who are responsible for managing the day-to-day operations, as directed by the Chief Executive Officer. The senior management of UniCredit is set out below.

<b>Name</b>	<b>Position</b>
<i>Federico Ghizzoni</i>	<i>Chief Executive Officer and General Manager</i>
<i>Roberto Nicastrò</i>	<i>General Manager</i>
<i>Paolo Fiorentino</i>	<i>Deputy General Manager – Chief Operating Officer</i>
<i>Jean-Pierre Mustier</i>	<i>Deputy General Manager – Head of CIB Division</i>
<i>Nadine Faruque</i>	<i>General Counsel &amp; Group Compliance Officer</i>
<i>Karl Guha</i>	<i>Chief Risk Officer</i>
<i>Marina Natale</i>	<i>Chief Financial Officer</i>
<i>Paolo Cornetta</i>	<i>Group Head of HR</i>

The business address for each of the foregoing members of senior management is UniCredit S.p.A., Piazza Cordusio, 20123 Milan, Italy.

## Board of Statutory Auditors

The board of statutory auditors (the “**Board of Statutory Auditors**”) supervises compliance with laws, regulations and Articles of Association, the proper management and the adequacy of the organisational and accounting set-up of UniCredit and of the risk management and control, as well as the functionality of the total internal audit system, of the external auditing of the accounts and the consolidated accounts, of the independence of the external audit firm and on the information process regarding to financial data.. The Board of Statutory Auditors shall also report any irregularities or violations of the legislation to the Bank of Italy and, where required, other supervisory authorities, and on the supervisory activity performed and on any omissions and censurable facts found to the shareholders’ meeting called to approve the company’s financial statements.

The Board of Statutory Auditors is appointed by UniCredit shareholders at a general meeting for a term of three financial years and members may be re-elected. The Board of Statutory Auditors consists of five statutory auditors, including a chairman of the Board of Statutory Auditors, and two stand-in statutory auditors.

The term of office of current members of the UniCredit Board of Statutory Auditors will expire on the date of the annual general meeting of UniCredit shareholders called to approve UniCredit financial statements for the fiscal year ending 31 December 2012. The following table sets out the name, age, position and year of appointment of the current members of the Board of Statutory Auditors of UniCredit.

<b>Name</b>	<b>Position</b>	<b>Year of appointment</b>
<i>Maurizio Lauri</i>	<i>Chairman</i>	<i>2010</i>
<i>Cesare Bioni</i>	<i>Statutory Auditor</i>	<i>2010</i>
<i>Vincenzo Nicastrò</i>	<i>Statutory Auditor</i>	<i>2010</i>
<i>Michele Rutigliano</i>	<i>Statutory Auditor</i>	<i>2010</i>
<i>Marco Ventoruzzo</i>	<i>Statutory Auditor</i>	<i>2010</i>
<i>Paolo Domenico Sfamèni</i>	<i>Stand-in Auditor</i>	<i>2010</i>
<i>Massimo Livatino</i>	<i>Stand-in Auditor</i>	<i>2010</i>



## EXTERNAL AUDITORS

UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by UniCredit's Board of Statutory Auditors.

Since 2007, following a modification of the Financial Services Act, listed companies may not appoint the same auditors for more than nine years. At the annual general shareholders' meeting of UniCredit held on 4 May 2004, KPMG S.p.A. ("**KPMG**") was appointed to act as UniCredit's external auditor for a period of three years and during the general shareholders' meeting of UniCredit held on 10 May 2007 KPMG's engagement was extended for a further six years, to complete the nine-year period allowed by the Financial Services Act.

UniCredit's external auditor KPMG S.p.A. is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.

# THE CREDIT POLICY

## Process

The disbursement process relating to a loan has evolved during the years, to keep pace with the evolution and the reorganisation of the various UniCredit divisions.

Notwithstanding the amendments introduced during the years to meet business requirements, the process envisages the following phases:

- estimate and instruction;
- database searches;
- evaluation, decision, documentary validation;
- collection and filing of documents;
- settlement.

### Estimate and instruction

During this phase, the intermediary holds a preliminary interview with the applicant/s to provide the applicant/s with the information on the procedure to be followed to be granted a loan, process an estimate and analyse whether to submit the application for the evaluation.

In case of acceptance of the estimate by the applicant/s the intermediary proceeds to instruct the application.

The instruction of the application is a delicate time in the context of the process since the data gathered will constitute the basis of the further processing steps.

The activities carried out in this phase consist of:

- gathering of the relevant signatures required under the Italian personal data protection laws;
- requesting information relating to the applicant/s, individually or jointly with the guarantors, if any, in order to complete the registration of personal details;
- requesting information relating to the employment held or the activity carried out by the applicant/s, individually or jointly with the guarantors, if any;
- entering into the system the selected product.

### Database searches

Internal and external database search forms an integral part of the credit process.

Automatic access to the Credit Bureaux enables the acquisition of behavioural information (applicants' repayment capability history and indebtedness patterns available on the network of credit institutions adhering to the Databases Network) by accessing the records of the Credit Information Systems (*Sistemi d'Informazione Creditizia (SIC)*).

The search, in addition, enables the enhancement of the credit information gathered with respect to the applicant/s, the evaluation of its indebtedness and the identification of the cases in which negative results prevent the granting of a loan.

### **Evaluation, decision, documentary validation**

The evaluation, decision and documentary validation phases use computerised instruments and manual operations carried out by bank analysts, depending on the elements emerging from the data entered and the results obtained from the databases.

Such systems:

- verify the existence of inconsistencies in the data fed into the system, also compared to any data already acquired on the applicant/s with respect to previous applications;
- detect any negative records resulting from anti-fraud tools;
- devise the strategies governing the application of credit scoring models and policy rules;
- process credit scoring models and calculate the acceptance score on the basis of the social-demographic information relating to the applicant/s and the characteristics of the applied-for financial plan;
- evaluate the most significant records resulting from the search of the various database available;
- automatically verify that the policies fed in the system comply with the credit policies of the bank;
- with respect to each loan application, generate a rating class that summarise the two previous items;
- detect fraud risk by taking into consideration both the channel and client risk;
- highlight analysts clarification requests.

The bank sets up the systems in such a way that if certain circumstances arise, the instruction process is halted and the application is submitted to the attention of a Unicredit analyst.

This may occur:

- in case of database or anti-fraud tools inconsistencies and/or dubious records: in this case the analyst shall verify the alerts produced by the systems and enter in the system the results of his/her evaluations in order to enable the progress of the application;
- in case of applications in respect of which, due to internal policy, the bank deems they have to be manually processed: in this case the analyst shall decide upon the final outcome of the application;
- in case an alert appears on the basis of parameters entered into the system to evaluate client and channel risk against the application submitted by the analyst: in this phase the analyst shall examine in more detail the documents to confirm the correctness and consistency of the data and to carry out anti-fraud controls.

**Collection and filing of documents**

All documents relating to the matter are collected by the intermediary and attached to the file in electronic format, both directly and using an external supplier of the bank: notwithstanding the procedure selected to attach the documents to the file, all documents must be sent to the supplier selected by the bank for the filing of hard copies.

In this phase the intermediary must verify that the data entered into the system in respect of which the processing is being carried out are correct and consistent with the documentation produced.

**Settlement**

In this phase the loan may be disbursed, by making available to the applicant the amount required or paying the good/service in accordance with the procedures envisaged under the agreement.

## THE COLLECTION POLICY

### Monitoring and administration

The periodic debit process of loan instalments envisaged under the Servicer's specific procedure produces records in the reports if the account where such debiting occurs does not hold sufficient funds.

Such records are used by the competent UniCredit peripheral commercial structure and by the UniCredit structure which deals with the actions vis-à-vis clients, to carry out preliminary checks and promote any action aimed at curing arrears (it verifies any technical anomalies, the overall behaviour of the defaulting client, etc.).

Upon lapsing of the envisaged term (generally 20 days), having ascertained that there are no system anomalies and if the arrear condition is continuing, central monitoring and administration of the defaults are initiated, also with the assistance of *ad hoc* technological tools and specialised external companies, in several stages depending on the duration of the arrear.

The process of administration and application of the remedies relating to each phase and the duration of each phase does not however depend solely on the number of arrear instalments but on the combination of the number of days of arrear and a trend score (*scoring andamentale*).

### A - Direct payment solicitation

It may occur by means of actions of UniCredit internal structures and/or third parties companies specialised in the management of arrears and aims at identifying the reasons for the delay in the payment of the instalments and at curing the arrear (payment of the past due instalments). Direct payment solicitation, in case of a negative outcome, is normally concluded within 105 days of the past due date of the arrear instalment.

### B - House collection

Having verified that direct payment solicitation was ineffective and if the arrear is still continuing, the relevant positions are placed, on behalf of the Servicer, under recovery mandate also with other companies specialising in this type of activity.

Recovery mandates have a set term (of at least 45 days) extendable for an additional 30-day period if a repayment plan has been agreed with the client. 2 recovery mandates, aimed at curing the arrear, are envisaged.

### C - Administration of Receivables in default

Upon the occurrence of certain circumstances/events which, upon indication of the Servicer's delegate and at the discretion of the Servicer, highlight a worsening of the creditworthiness of the debtor, the receivable shall be classified by the Servicer as a an "*Incaglio*" or "*Sofferenza*" claim, on the basis of the current classification rules used by the Servicer with respect to mono and multi-product clients.

The Receivable shall be classified by the Servicer as a "*Credito ad Incaglio*" when the default of the assigned debtor is due to temporary objectively difficult circumstances whose cure is envisaged in a reasonable period of time.

If the Receivable is classified as a "*Credito in Sofferenza*", the Servicer shall terminate the agreement demanding full payment of all the outstanding amount.

The Servicer, in addition to the correct classification, procures the evaluation of the Receivables and looks after the credit recovery activities in cooperation with its delegates.

In particular, the delegates of the Servicer shall take all the out-of-court and/or judicial initiatives which they will deem practicable and expedient for the administration of the relevant Receivables, in accordance with the procedures described below. It shall analyse in detail the documentation relating to the relevant Receivable received by the Servicer and shall upload all details relating to the matter into its management system.

The manager of the delegates of the Servicer shall attempt a first contact with the client, to ascertain whether the client is reachable, by way of a telephone call or letter or other suitable means, including personal contacts. Within a set deadline, an external consultant/third party company, selected in accordance with pre-set criteria, may be appointed to assist the internal manager. The activity of such external consultant is put under the strict control of the internal manager. Such appointment shall normally have a duration of 60 days, extendable, if necessary, and upon the expiry of which shall be replaced by another consultant/third party company.

The manager of the delegates of the Servicer, also using the external consultants/third party companies, shall endeavour to sort out the matter through out-of-court activities, on the basis of negotiations with the assigned debtor with respect to his/her debt repayment in accordance with the powers granted and as agreed with the Servicer.

The proposal for the settlement of the claim shall therefore formulated by the manager of the delegates of the Servicer in accordance with the powers vested upon the delegate under the Servicing Agreement.

The proposal so formulated shall be subject to a resolution by the competent body of Servicer's delegate, on the basis of the proxy system envisaged by the Servicer's delegate itself, and the outcome of the decision shall be then communicated to the assigned debtor.

If the proposal is accepted by the competent body, the data relating to the new agreed amortisation plan shall be uploaded into the managing system, in order to allow monitoring thereof. If the assigned debtor fails to make the payments of the instalments due in accordance with the negotiated arrangement, as indicated by the managing system, the resolution will be voided.

If the decision of the competent body in relation to the proposal is, on the other hand, negative and no alternative negotiated solutions are reached, legal actions shall be undertaken if deemed expedient or convenient with the notification of the order and consequential attachment, including at the premises of third parties, in accordance with the applicable rules of law. With respect to the judicial activities, the Servicer's delegate shall use external legal advisors chosen by it provided that they have proven experience in credit recovery legal activity and use the same management system enabling a timely monitoring of such legal activity.

In any case, even pending the relevant legal activities, any initiative including out-of-court ones, shall be attempted in order to recover a claim with the purpose of maximising recoveries whilst minimising costs.

Once all activities and recovery attempts with the clients have proven ineffective and, in the opinion of the Servicer's delegate no other actions to recover the due amount are feasible, the Servicer's delegate shall proceed with the sale of the Receivable, in compliance with and subject to the conditions set out under the Servicing agreement.

The conclusion of the judicial and/or out-of-court procedure is reached by means of either the collection of the sums realised or, in case of negative outcome, the mere termination of the appointment.

In any case the Servicer's delegate will communicate to the Servicer whether the Receivable was recovered in full or in part Receivable or the impossibility or non convenience of further judicial or out-of-court activities.

Any full or partial write off shall be subject to a resolution of the competent body of the Servicer.

#### **D - Transfer of the Receivables**

Finally, in accordance with and subject to the Servicing agreement, having regard to market conditions, economic sustainability and recovery prospects - subject to the Issuer's authorisation - the Servicer is entitled to transfer the relevant receivable in arrear regardless of its classification.

## THE ISSUER

### Introduction

The Issuer was incorporated in the Republic of Italy on 19 February 2010 *società a responsabilità limitata* under the name “Manacor Finance S.r.l.” and changed its name in “Consumer One S.r.l.” by an extraordinary resolution of the meeting of its quotaholder held on 30 June 2011. The Issuer’s by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is at Piazzetta Monte, 1, 37121, Verona, Italy, the fiscal code and number of enrolment with the companies register of Verona is 04362530265. The Issuer is also enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 29 April 2011. The Issuer has no employees and no subsidiaries. The Issuer’s telephone number is +39 045 8678870.

The authorised and issued quota capital of the Issuer is Euro 10,000, fully paid up and held by SVM Securitisation Vehicles Management S.r.l. The quota capital of the Issuer has been credited on an account held, in the name of the Issuer, with Banca Antonveneta S.p.A. (IBAN IT82T0504061621000001240674).

The Issuer has not declared or paid any dividends or, save as otherwise described in this Prospectus, incurred any indebtedness.

### Issuer’s principal activities

The principal corporate object of the Issuer, as set out in article 3 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions (*operazioni di cartolarizzazione*) and the issuance of asset-backed securities.

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation subject to the provisions set forth in Condition 5 (*Covenants*).

Condition 5 (*Covenants*) provides that, so long as any of the Notes remain outstanding, the Issuer shall not, unless with the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents, incur any other indebtedness for borrowed monies (except in relation to any further securitisation carried out in accordance with the Transaction Documents) engage in any activities (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Transaction Documents to which it is a party or entering into further permitted securitisations), pay any dividends, repay or otherwise return its quota capital, have any subsidiaries, employees or premises, consolidate or merge with any other person, convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or in the Intercreditor Agreement), or increase its share capital.

The Issuer will covenant in the Intercreditor Agreement to observe, *inter alia*, those restrictions which are detailed in Condition 5 (*Covenants*).

### Directors of the Issuer

The current directors of the Issuer are:

Chairman of the board of directors

Matteo Pigaiani. The domicile of Matteo Pigaiani, in his capacity of chairman of the board of



directors of the Issuer, is at Piazzetta Monte, 1, 37121, Verona, Italy.

Director Nausica Pinese. The domicile of Nausica Pinese, in her capacity of director of the Issuer, is at Piazzetta Monte, 1, 37121, Verona, Italy.

Director Paolo Gabriele. The domicile of Paolo Gabriele, in his capacity of director of the Issuer, is at Piazzetta Monte, 1, 37121, Verona, Italy.

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

Pursuant to the term of the Quotaholder's Agreement entered into on or about the Issue Date, between, *inter alios*, the Issuer, the Quotaholder, the Originator and the Representative of the Noteholders, the Quotaholder has agreed, *inter alia*, not to amend the by-laws (*statuto*) (other than as otherwise (a) required by any applicable law or by the Bank of Italy, or (b) necessary (i) to correct any formal or technical manifest error, (ii) to transfer the registered office of the Issuer within the Republic of Italy, or (iii) to extend the termination date of the Issuer) of the Issuer and not to pledge, charge or dispose of the quotas (save as set out below) of the Issuer without the prior written consent of the Representative of the Noteholders. The Issuer believes that the provisions of the Quotaholder's Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused. The Quotaholder's Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

### **Accounts of the Issuer and accounting treatment of the Portfolio**

Pursuant to Bank of Italy's regulations, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*nota integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 19 February 2010 and ended on 31 December 2010.

### **Capitalisation and indebtedness statement**

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes, is as follows:

<b>Quota capital</b>	<b>Euro</b>
Issued, authorised and fully paid up quota capital	10,000
<b>Loan capital (Securitisation)</b>	<b>Euro</b>
€2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028	2,956,200,000
€1,236,943,620 Class B Asset Backed Variable Return Notes due 2028	1,236,943,620

<b>Total loan capital (Euro)</b>	<b>4,193,143,620</b>
<b>Total capitalisation and indebtedness (Euro)</b>	<b>4,193,153,620</b>

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

#### **Financial statements and auditors**

The Issuer's accounting reference date is 31 December in each year.

Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation may be inspected and obtained free of charge during usual business hours at the specified offices of the Issuer and the Representative of the Noteholders.

The financial statements of the Issuer as at 31 December 2010 are set out in this Prospectus as Annex 1 and have been duly audited by Dott. Lino De Luca, independent auditor to the Issuer, with office at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy and certified public accountant enrolled with the register held by the Ordine dei Dottori Commercialisti of Treviso.

## THE CALCULATION AGENT

UniCredit Bank AG, formerly Bayerische Hypo- und Vereinsbank AG (“**UniCredit Bank**” or “**HVB**”, and together with its consolidated subsidiaries, the “**HVB Group**”) was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. It is the parent company of HVB Group, which is headquartered in Munich. UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome (“**UniCredit**”, and together with its consolidated subsidiaries, the “**UniCredit Group**”) since November 2005 and hence a major part of the UniCredit Group from that date as a sub-group. UniCredit holds directly 100 per cent of UniCredit Bank’s share capital.

UniCredit Bank has its registered office at Kardinal-Faulhaber-Strasse 1, 80333 Munich and is registered with the Commercial Register at the Lower Court (Amtsgericht) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of the Federal Republic of Germany. It can be reached via telephone under +49-89-378-0 or via [www.hvb.de](http://www.hvb.de).

Unicredit Bank AG London is a branch of the UniCredit Bank AG legal entity within UniCredit Group (the “**London Branch**”). The London Branch’s primary purpose is to provide a platform to support the CIB Global Strategy, in particular to form part of the Munich / London trading hub at the centre of the international capital and financial markets, as well as to provide a platform to offer financial services to corporate and institutional clients. The London Branch is regulated by the UK Financial Services Authority and its registered office is Moor House, 120 London Wall, London EC2Y 5ET.

As a result of the integration into the UniCredit Group, the activities of UniCredit Bank have been restructured in the following divisions: Corporate & Investment Banking (“**CIB**”), Retail and Private Banking. Through these divisions, UniCredit Bank offers a wide range of banking and financial products and services to private and corporate clients including multinationals, public sector and institutional customers. Its range extends from mortgage loans and banking services for consumers, private banking, business loans and foreign trade finance through to fund products, advisory and brokerage services, securities transactions and wealth management

In the context of this Securitisation, UniCredit Bank AG, London Branch will act as Calculation Agent.

For the duties of the Calculation Agent arising from the Cash Allocation, Management and Payments Agreement entered into in the context of the Securitisation and for the provisions related to the termination of the appointment, and the replacement, of the Calculation Agent, see the section headed “*Description of the Transaction Documents – Cash Allocation, Management and Payments Agreement*”.

## THE CUSTODIAN BANK AND THE PRINCIPAL PAYING AGENT

The BNP Paribas Group (the “**Group**”) (of which BNP Paribas is the parent company and BNP Paribas Securities Services is the wholly-owned subsidiary of BNP Paribas, leading European provider of securities services to companies, asset managers and financial institutions worldwide) is a European leader in banking and financial services. It has 204,600 employees, 162,800 of whom are based in Europe. The Group occupies leading positions in three significant fields of activity: Corporate and Investment Banking, Asset Management & Services and Retail Banking. It has operations in more than 80 countries and has a strong presence in all the key global financial centres. Present throughout Europe, in all its business lines, France and Italy are its two domestic retail banking markets. BNP Paribas has a significant and growing presence in the United States and leading positions in Asia and in emerging markets.

The Group has three divisions: Retail Banking, Investment Solutions and Corporate and Investment Banking, the latter two of which also constitute “core businesses”. Operationally, the Retail Banking division is itself comprised of three core businesses: French Retail Banking, International Retail Banking and Financial Services, and Italian Retail Banking (BNL). The Group has additional activities, including those of its listed real estate subsidiary, Klépierre, that are conducted outside of its core businesses.

At December 31, 2010, the Group had consolidated assets of €1,998.2 billion, consolidated loans and receivables due from customers of €684.6 billion and shareholders’ equity (Group share including income for 2010) of €74.6 billion. Net income, Group share, for the year ended December 31, 2010 was €7.8 billion. Net banking income, Group share, for the year ended December 31, 2010 was €43.9 billion.

The Group currently has long term senior debt ratings of “Aa2” and a short term rating of “P-1” from Moody’s, a long term rating of “AA” and a short term rating of “A-1+” from Standard & Poor’s and a long term rating of “AA-” and a short term rating of “F1+” from Fitch Ratings.

On July 5<sup>th</sup>, 2011 BNP Paribas Securities Services has received for the first time its own financial rating by the three most important agencies:

### *Standard & Poor’s*

Long-term AA  
Short-term A-1+  
Outlook Negative

### *Fitch*

Long term IDR AA-  
Term IDR F1+  
Outlook Stable

### *Moody’s*

Backed long-term deposit Aa2  
Backed short-term deposit Prime-1  
Outlook Under review

## **USE OF PROCEEDS**

The total proceeds of the issue of the Notes are expected to be Euro 4,193,153,620 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Initial Portfolio in accordance with the Master Receivables Purchase Agreement.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

*The description of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request at the specified office of each of the Representative of the Noteholders and the Principal Paying Agent.*

### 1. THE MASTER RECEIVABLES PURCHASE AGREEMENT

On 8 July 2011, the Issuer and the Originator entered into the Master Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Initial Portfolio. For long as no Trigger Notice or Purchase Termination Notice has been delivered, on each Offer Date the Originator may offer for sale to the Issuer, which, subject to the conditions set out in the paragraph "*Conditions for the purchase of Further Portfolios*" of the section "*The Portfolio*" above having been met, shall agree to purchase from the Originator, on a quarterly basis during the Revolving Period, Further Portfolios, pursuant to the terms of the Receivables Purchase Agreement.

The Initial Portfolio includes, and any Further Portfolio may include, Receivables which have already come into existence as at the relevant Offer Date (the "**Existing Receivables**") and Receivables arising from additional disbursement made under the relevant Loan Agreement where permitted thereunder (the "**Future Receivables**"). The Future Receivables coming into existence, if any, will be automatically transferred to the Issuer on the relevant Arising Date (if any) under the provisions of the Master Receivables Purchase Agreement and Italian law.

The Receivables comprised in the Master Portfolio will be selected on the basis of (i) certain common objective criteria listed in Schedule 1 to the Master Receivables Purchase Agreement (the "**Common Criteria**") which shall apply to the Initial Portfolio and to any Further Portfolio and (ii) certain further objective criteria listed in Schedule 2 to the Master Receivables Purchase Agreement (the "**Specific Criteria**"). The Specific Criteria listed in Schedule 2 to the Master Receivables Purchase Agreement are split into "*Part A Specific Criteria*", which shall apply to the Initial Portfolio and "*Part B Specific Criteria*", which supplement the Common Criteria at the option of the Originator and the Issuer in respect of any Further Portfolio. Pursuant to the Master Receivables Purchase Agreement, further objective criteria (the "**Additional Criteria**" and, together with the Common Criteria and the Specific Criteria, the "**Criteria**") may be agreed between the Issuer and the Originator from time to time to supplement the Specific Criteria in the selection of any Further Portfolio.

The Purchase Price in respect of the Initial Portfolio and of each Further Portfolio is equal to the sum of all Individual Purchase Prices of the relevant Receivables. The Individual Purchase Price of the Existing Receivables comprised in the relevant Portfolio will be calculated on the relevant Valuation Date (included); the Individual Purchase Price of the Future Receivables comprised in the relevant Portfolio will be calculated on the relevant Arising Date (included).

The Principal Component of the Purchase Price in respect of the Existing Receivables included in the Initial Portfolio will be paid by the Issuer using the proceeds of the issue of the Notes on the later of (i) the Issue Date and (ii) the date falling after the compliance of the formalities provided for under the Master Receivables Purchase Agreement.

The Principal Component of the Purchase Price in respect of the Existing Receivables included in any Further Portfolio will be paid to the Originator on the later of (i) Payment Date falling immediately after the assignment of the relevant Further Portfolio and (ii) the date falling after the compliance in relation to the relevant Further Portfolio of the formalities provided for under the Master Receivables Purchase Agreement and to the extent of the then available Principal Available Funds, in accordance with the then applicable Priority of Payments.

The Other Component of the Purchase Price in respect of the Existing Receivables included in the Initial Portfolio and in any Further Portfolio will be paid on each Payment Date subject to the compliance of the formalities provided for under the Master Receivables Purchase Agreement and to the extent of the then Interest Available Funds and subject to and in accordance with the applicable Priority of Payments.

The Principal Component of the Purchase Price and the Other Component of the Purchase Price in respect of the Future Receivables included in the Initial Portfolio and any Further Portfolio will be paid to the Originator on the later of (i) the Payment Date falling immediately after the relevant Arising Date, and (ii) the date falling after the compliance of the formalities provided under the Master Receivables Purchase Agreement to the extent of the then available Issuer Available Funds, in accordance with the then applicable Priority of Payments, provided that during the Revolving Period, no such payment may be made by the Issuer if, on the Calculation Date immediately preceding the relevant Payment Date the Further Portfolio Conditions are not met (irrespective of whether a Further Portfolio has been offered for sale by the Originator on the immediately preceding Offer Date).

In accordance with the Master Receivables Purchase Agreement, the Purchase Price of the Existing Receivables comprised in the Initial Portfolio and in any Further Portfolio shall be paid subject to the:

- (a) publication of a notice of assignment of the relevant Receivables in the *Gazzetta Ufficiale della Repubblica Italiana*; and
- (b) registration of such assignment with the competent Companies' Register.

The Purchase Price of the Future Receivables comprised in the Initial Portfolio and in any Further Portfolio shall be paid subject to the:

- (a) publication of a confirmation notice of assignment of the relevant Receivables in the *Gazzetta Ufficiale della Repubblica Italiana* (the "**Confirmation Notice**"); and
- (b) registration of such confirmation notice with the competent Companies' Register.

The Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables,

save in the event such modifications or cancellations are provided for by the Transaction Documents or required by law.

In addition, under the Master Receivables Purchase Agreement, the Issuer has granted to the Originator:

- (a) an option right to repurchase (in whole but not in part), on the Clean-Up Option Date and on any Payment Date thereafter, the outstanding Receivables included in the Master Portfolio, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement;
- (b) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement; and
- (c) a pre-emption right on the outstanding Receivables included in the Master Portfolio or individual Receivables, in accordance with and subject to the conditions provided for under the Master Receivables Purchase Agreement.

The Master Receivables Purchase Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

## 2. THE SERVICING AGREEMENT

On 8 July 2011, the Issuer and the Originator entered into the Servicing Agreement, pursuant to which the Issuer has appointed UniCredit S.p.A. as Servicer of the Receivables. The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit on a daily basis any amounts collected from the Receivables to the Issuer Collection Account. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the provisions of articles 2.3, letter (c), and 2.6-*bis* of the Securitisation Law.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables. The Servicer shall be entitled to delegate such activities to UniCredit Credit Management Bank S.p.A., provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated. The Servicer is entitled to delegate, to one or more companies fulfilling the prerequisites set forth in the Servicing Agreement, certain activities entrusted to it as Servicer pursuant to the Servicing Agreement. The Servicer will remain directly responsible for the performance of all duties and obligations delegated to any such company and will be liable for the conduct of all of them.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.



The Servicing Agreement further provides for the possibility for the Servicer to renegotiate the Receivables and the Loan Agreements subject to certain limitations specified in the Servicing Agreement.

In return for the services provided by the Servicer, the Issuer will pay to the Servicer on each Payment Date, in accordance with the applicable Priority of Payments:

- (i) for the management, collection and administration of the Receivables: (i) until the date of termination of the Revolving Period, an amount equal to Euro 1,200,000 *per annum* (excluding VAT, if applicable) plus the 0.15% *per annum* (excluding VAT, if applicable) of the Outstanding Principal of the Receivables not classified as Defaulted Receivables or Delinquent Receivables as at the last day of the Quarterly Collection Period immediately preceding the Calculation Date falling prior to the relevant Payment Date, and (ii) starting from the date of termination of the Revolving Period, 0.20% *per annum* (excluding VAT, if applicable) of the Outstanding Principal of the Receivables not classified as Defaulted Receivables or Delinquent Receivables as at the last day of the Quarterly Collection Period immediately preceding the Calculation Date falling prior to the relevant Payment Date;
- (ii) for the recovery of the Defaulted Receivables and the Delinquent Receivables, a fee equal to 0.20% (excluding VAT, if applicable) of the amounts recovered on the relevant receivables during the immediately preceding Quarterly Collection Period plus a fee equal to 0.20% *per annum* (excluding VAT, if applicable) of the Outstanding Principal of the Defaulted Receivables and the Delinquent Receivables as at the last day of the Quarterly Collection Period immediately preceding the Calculation Date falling prior to the relevant Payment Date.
- (iii) an annual fee of Euro 5,000.00 (including VAT, if applicable) for the monitoring and reporting activity carried out by the Servicer.

The Servicer has undertaken to prepare and submit to the Issuer quarterly reports containing, a summary of the performance of the Master Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Master Portfolio, for delivery to, *inter alios*, the Issuer, the Calculation Agent and the Representative of the Noteholders.

The Issuer has undertaken to appoint a back-up servicer if (i) the long-term rating of the Servicer's unsecured, unguaranteed and unsubordinated debt obligations falls below "Baa2" by Moody's, or (ii) if the short-term rating of the Servicer's unsecured, unguaranteed and unsubordinated debt obligations falls below "P-2" by Moody's within 30 calendar days from such downgrading or immediately if the Servicer ceases to have a rating assigned by Moody's. The appointment of the back-up servicer shall be notified in advance by the Servicer or by the Issuer to the Rating Agencies.

The Issuer may terminate the Servicer's appointment and appoint a successor servicer if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include the following events:

- (a) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 10 Business Days after the due date thereof and cannot be attributed to force majeure;
- (b) failure on the part of the Servicer to observe or perform any of its obligations under the Servicing Agreement or any other Transaction Document to which it is a party, and the continuation of such failure for a period of 10 Business Days following receipt by the Servicer of written notice from the Issuer or the Representative of the Noteholders;
- (c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement, has been proved to be untrue, false or deceptive in any material respect and such default is materially prejudicial to the Issuer or the Noteholders;
- (d) an Insolvency Event occurs with respect to the Servicer;
- (e) the Servicer carries out a material change to the offices and/or the services involved in the management of the Receivables and/or the fulfilment of the obligations undertaken by it in the Servicing Agreement, if such changes may reasonably impair the capability of the Servicer to fulfil its obligations under the Servicing Agreement;
- (f) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party, except is the Servicer promptly implement satisfactory measures in order to keep performing its activities in compliance with all applicable laws;
- (g) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

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

### 3. THE WARRANTY AND INDEMNITY AGREEMENT

On 8 July 2011, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists as a juridical person, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations therefore.

The Warranty and Indemnity Agreement sets out various representations and warranties in respect of the Receivables including, *inter alia*, that the Receivables comprised in the Initial Portfolio and in each Further Portfolio (i) were valid, in existence and in compliance with the Criteria, and (ii) related to Loan Agreements which had been entered into, executed and

performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law).

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Loan Agreement to comply with the provision of article 1283 or article 1346 of the Italian civil code; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreement.

The Warranty and Indemnity Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

#### 4. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer, the Account Bank, the Cash Manager, the Custodian Bank, the Swap Counterparty and the Principal Paying Agent entered into the Cash Allocation, Management and Payment Agreement.

Under the terms of the Cash Allocation, Management and Payment Agreement:

- (a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Principal Accumulation Account, the Collection Account, the General Account, the Expenses Account, the Cash Reserve Account, the Set-Off Reserve Account, the Renegotiation Reserve Account, the Cash Collateral Account and the Securities Collateral Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of such accounts;
- (b) the Calculation Agent has agreed to provide the Issuer with calculation services;
- (c) the Additional Calculation Agent has agreed to support the Calculation Agent in providing the Issuer with calculation services;
- (d) the Principal Paying Agent has agreed to establish and maintain, in the name and on behalf of the Issuer, the Payments Account and to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes; and
- (e) the Custodian Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Securities Account and to provide the Issuer with certain reporting services together with account handling services in relation to securities from time to time standing to the credit of such account.

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of the Calculation Agent by giving not less than three months' written notice. The appointment of the Calculation Agent shall also terminate if: (i) an Insolvency Event occurs in relation to it; or (ii) it is rendered unable to perform its obligations for a period of 60 days by circumstances beyond its control. The Calculation Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will be subject to and conditional upon a substitute Calculation Agent being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

#### **5. THE INTERCREDITOR AGREEMENT**

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Master Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Master Portfolio.

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Master Portfolio.

The Intercreditor Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

#### **6. THE CORPORATE SERVICES AGREEMENT**

On 12 July 2011, the Issuer, the Corporate Servicer and the Representative of the Noteholders entered into the Corporate Services Agreement pursuant to which the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

7. **THE MANDATE AGREEMENT**

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement under which, subject to a Trigger Notice being served upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain of the Transaction Documents to which the Issuer is a party.

The Mandate Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

8. **THE CASH RESERVE SUBORDINATED LOAN AGREEMENT**

Under the terms of the Cash Reserve Subordinated Loan Agreement, the Cash Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Cash Reserve Subordinated Loan for an amount of euro 420,000,000 for the purpose of establishing, on the Issue Date, the Cash Reserve in an amount equal to the Initial Cash Reserve Amount.

Under the provisions of the Cash Reserve Subordinated Loan Agreement, the Issuer may request and the Cash Reserve Subordinated Loan Provider may, in its sole and absolute discretion, agree to an increase of the amount originally committed under the Cash Reserve Subordinated Loan Agreement for the purpose of making available to the Issuer additional amounts.

Each Cash Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Cash Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

The Cash Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

9. **THE RENEGOTIATION RESERVE SUBORDINATED LOAN AGREEMENT**

Under the terms of the Renegotiation Reserve Subordinated Loan Agreement, the Renegotiation Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Renegotiation Reserve Subordinated Loan for an amount of euro 5,000,000 for the purpose of establishing, on the Issue Date, the Renegotiation Reserve in an amount equal to the Initial Renegotiation Reserve Amount.

Under the provisions of the Renegotiation Reserve Subordinated Loan Agreement, the Issuer may request and the Renegotiation Reserve Subordinated Loan Provider may, in its sole and absolute discretion, agree to an increase of the amount originally committed under the Renegotiation Reserve Subordinated Loan Agreement for the purpose of making available to the Issuer additional amounts.

Each Renegotiation Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Renegotiation Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

The Renegotiation Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

10. **THE SET-OFF RESERVE SUBORDINATED LOAN AGREEMENT**

Under the terms of the Set-Off Reserve Subordinated Loan Agreement, the Set-Off Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Set-Off Reserve Subordinated Loan for an amount up to the Set-Off Reserve Required Amount for the purpose of funding or replenishing (as the case may be) the Set-Off Reserve on any Offer Date on which the balance of the Set-Off Reserve Account is lower than the Set-Off Reserve Required Amount.

Each Set-Off Reserve Subordinated Loan will be repaid by the Issuer in accordance with the Set-Off Reserve Subordinated Loan Agreement and the applicable Priority of Payments.

The Set-Off Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

11. **THE DEED OF PLEDGE**

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Deed of Pledge under which, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation Law, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is or will be entitled from time to time pursuant to certain Transaction Documents, with the exclusion of the Portfolio and the Collections. The security created pursuant to the Deed of Pledge will become enforceable upon the service of a Trigger Notice.

The Deed of Pledge and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with Italian law.

12. **THE DEED OF CHARGE**

On or about the Issue Date, the Issuer and the Representative of the Noteholders (as trustee for the Noteholders and the Other Issuer Creditors) will enter into the Deed of Charge. Pursuant to the Deed of Charge, without prejudice and in addition to any security, guarantees and other rights provided for in the Securitisation Law securing the discharge of the Issuer's obligations to the Noteholders and the Other Issuer Creditors, the Issuer will assign (or to the extent not assignable will charge) in favour of the Representative of the Noteholders (as trustee for the Noteholders and for the Other Issuer Creditors) all right, title, benefit and interest in, to and under the Swap Agreement and all future contracts, agreements, deeds and documents governed by English law to which the Issuer may become a party in relation to the Securitisation. The security created by the Deed of Charge will become enforceable upon the service of a Trigger Notice on the Issuer.

The Deed of Charge is governed by and shall be construed in accordance with English law.

13. **THE SWAP AGREEMENT**

On or about the Issue Date, the Issuer entered into the Swap Agreement with the Swap Counterparty pursuant to which the Issuer hedged certain interest rate and basis rate exposure in respect of its obligations under the Notes through an interest rate swap transaction and a basis rate swap transaction.

Pursuant to the interest rate swap transaction and in respect of each of the Initial Portfolio and each Further Portfolio purchased by the Issuer during the Revolving Period, the Issuer will pay to the Swap Counterparty periodic variable amounts calculated by reference to a fixed interest rate (as specified in the Swap Agreement in respect of the Initial Portfolio and as notified to the Issuer by the Originator in respect of each Further Portfolio) and receive, from the Swap Counterparty, periodic variable amounts calculated by reference to a three month Euribor rate multiplied in each case by a notional amount based upon the average principal amount outstanding of performing loans in the relevant Portfolio which pay a fixed interest rate (excluding Defaulted Receivables and Delinquent Receivables) from time to time.

Pursuant to the basis rate swap transaction, the Issuer will pay to the Swap Counterparty periodic variable amounts calculated by reference to a weighted average of the index rates (excluding the spread component thereof) applicable for each Receivable in the Master Portfolio which is indexed to a floating rate (excluding Defaulted Receivables and Delinquent Receivables) from time to time and receive, from the Swap Counterparty, periodic variable amounts calculated by reference to a three month Euribor rate multiplied in each case by a notional amount based upon the average principal amount outstanding of performing loans in the Master Portfolio which are indexed to a floating rate (excluding Defaulted Receivables and Delinquent Receivables) from time to time and which notional amount may be increased by the purchase of any Further Portfolios.

Unless terminated earlier in accordance with its terms, the Swap Agreement will terminate on the Final Maturity Date of the Notes. The Swap Agreement provides that upon the occurrence of certain events of default and termination events, the Issuer or the Swap Counterparty is able to terminate the Swap Agreement.

If the Swap Counterparty is downgraded by the Rating Agencies below any of the required credit ratings set out in the Swap Agreement, it will be required to carry out, within a specified time frame set out in the Swap Agreement one or more remedying measures at its own cost which include the following:

- (a) a transfer all of its rights and obligations under the Swap Agreement to an appropriately rated entity;
- (b) the arrangement of an appropriately rated entity to become co-obligor or guarantor, as applicable in respect of its obligations under the Swap Agreement; or
- (c) the posting of collateral to support its obligations under the Swap Agreement.

The Swap Agreement and any non-contractual obligations arising out of or in connection with them are governed by English law.

## THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts and has undertaken to pay to or deposit in, or cause to be paid to or deposited in, as the case may be:

(1) **the Collection Account**

- (a) the Collections and Recoveries from time to time received in accordance with the provisions of the Servicing Agreement;
- (b) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;
- (c) any amount received by the relevant insurance companies as reimbursement of premium and not transferred to the relevant Debtor in accordance with the provisions of clause 14.5.1(b) of the Master Receivables Purchase Agreement;
- (d) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the Collection Account;

(2) **the General Account:**

- (a) any amount paid by the Originator in accordance with the provisions of the Warranty and Indemnity Agreement;
- (b) the proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Master Receivables Purchase Agreement;
- (c) the proceeds deriving from the sale of the Master Portfolio, where permitted in accordance with the Transaction Documents;
- (d) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the General Account;
- (e) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the General Account;
- (f) any amounts received under any Transaction Document and not allocated to any other Account;

(3) **the Principal Accumulation Account:**

- (a) any amount representing Issuer Cash Collateral on each Payment Date during the Revolving Period;
- (b) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Principal Accumulation Account;



- (c) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the Principal Accumulation Account;
- (4) **the Cash Reserve Account:**
- (a) on the Issue Date, the Initial Cash Reserve Amount;
  - (b) on each Payment Date such an amount as will bring the balance of the Cash Reserve Account up to (but not in excess of) the Cash Reserve Required Amount in accordance with the Priority of Payments;
  - (c) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account;
  - (d) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the Cash Reserve Account;
- (5) **the Renegotiation Reserve Account:**
- (a) on the Issue Date, the Initial Renegotiation Reserve Amount;
  - (b) on each Payment Date such an amount as will bring the balance of the Renegotiation Reserve Account up to (but not in excess of) the Renegotiation Reserve Required Amount in accordance with the Priority of Payments;
  - (c) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Renegotiation Reserve Account;
  - (d) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the Renegotiation Reserve Account;
- (6) **the Set-Off Reserve Account:**
- (a) within 20 Business Days of the unsecured and unsubordinated short term rating of the Originator becoming equal to or lower than "P-2" by Moody's and the unsecured and unsubordinated long term rating of the Originator becoming equal to or lower than "A3" by Moody's or lower than "A (middle)" by DBRS, the Set-Off Reserve Required Amount;
  - (b) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Set-Off Reserve Account;
  - (c) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments purchased with amounts transferred from the Set-Off Reserve Account;
- (7) **the Payments Account:**
- (a) amounts transferred from the Collection Account, the General Account, the Principal Accumulation Account, the Cash Reserve Account, the Renegotiation Reserve

Account and the Set-Off Reserve Account, in accordance with the provisions of this Agreement and the relevant Payments Report;

- (b) all amounts (excluding amounts paid in accordance with the provisions of clause 3.6.8(a) of the Cash Allocation Management and Payments Agreement) paid by the Swap Counterparty in relation to each Payment Date in accordance with the provisions of the Swap Agreement;
- (c) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payments Account;

(8) **the Cash Collateral Account:**

- (a) any cash collateral to be paid by the Swap Counterparty to the Issuer in accordance with the provisions of the Swap Agreement;
- (b) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Collateral Account;

(9) **the Expenses Account:**

- (a) on the Issue Date the Retention Amount;
- (b) on each Payment Date such an amount as will bring the balance of the Expenses Account up to (but not in excess of) the Retention Amount in accordance with the Priority of Payments; and
- (c) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account; and

(10) **the Securities Collateral Account**

the Securities Collateral Account, any collateral represented by bonds, debentures, notes or other financial instruments to be delivered by the Swap Counterparty to the Issuer in accordance with the provisions of the Swap Agreement,

in each case subject to, and in accordance with, the provisions of this Agreement, the Master Receivables Purchase Agreement, the Swap Agreement, the Intercreditor Agreement and the Servicing Agreement.

## TERMS AND CONDITIONS OF THE SENIOR NOTES

*The following is the text of the terms and conditions of the Senior Notes. In these Senior Notes Conditions, references to the “holder” of a Senior Note and to the “Senior Noteholders” are to the ultimate owners of the Senior Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-bis of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published in the Official Gazette number 54 of 4 March 2008, as subsequently amended and supplemented from time to time. The Senior Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Senior Notes Conditions.*

The €2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028 and the €1,236,943,620 Class B Asset Backed Variable Return Notes due 2028 have been issued by the Issuer on the Issue Date pursuant to the Securitisation Law, to finance the purchase by the Issuer of the Initial Portfolio from the Originator pursuant to the Master Receivables Purchase Agreement. As long as no Trigger Notice or Purchase Termination Notice has been delivered and to the extent that each of the Conditions for the Purchase of Further Portfolios is satisfied, the Originator may, on a quarterly basis up during the Revolving Period, pursuant to the terms of the Master Receivables Purchase Agreement, offer Further Portfolios for sale to the Issuer, which, subject to certain conditions set out in the Master Receivables Purchase Agreement having been met, shall agree to purchase such Further Portfolios from the Originator. The purchase of Further Portfolios shall be funded by the Issuer applying Issuer Available Funds on the relevant Payment Date in accordance with the Priority of Payments. The principal source of payment of interest on the Notes and Variable Return on the Junior Notes and of repayment of principal on the Notes will be the Collections and other amounts received in respect of the Master Portfolio and the other Transaction Documents.

Any reference below to a “Class” of Notes or a “Class” of Noteholders shall be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective ultimate owners thereof.

### 1. INTRODUCTION

#### 1.1 *Senior Noteholders deemed to have notice of Transaction Documents*

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

#### 1.2 *Provisions of Senior Notes Conditions subject to Transaction Documents*

Certain provisions of these Senior Notes Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

#### 1.3 *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents (other than the Subscription Agreements) are available for inspection by the Senior Noteholders during normal business hours at the registered office of the Issuer and the Representative of the Noteholders, both being, as at the Issue Date, Via V. Alfieri, 1, 31015 Conegliano (TV), Italy and at the specified office of the Principal Paying Agent, being, as at the Issue Date, Via Ansperto, 5, 20123 Milan, Italy.

## 1.4 Description of Transaction Documents

- 1.4.1 Pursuant to the Senior Notes Subscription Agreement, the Sole Lead Manager has agreed to subscribe for the Senior Notes and appointed the Representative of the Noteholders to perform the activities described in the Senior Notes Subscription Agreement, these Senior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.2 Pursuant to the Junior Notes Subscription Agreement, the Originator has agreed to subscribe for the Junior Notes and appointed the Representative of the Noteholders to perform the activities described in the Junior Notes Subscription Agreement, the Junior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.
- 1.4.3 Pursuant to the Warranty and Indemnity Agreement, the Originator has given or has agreed to give certain representations and warranties in favour of the Issuer in relation to the Master Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Master Portfolio.
- 1.4.4 Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Master Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of the applicable law and the Prospectus.
- 1.4.5 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.
- 1.4.6 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Custodian Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Originator, the Swap Counterparty and the Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys or securities from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of principal and interest on the Notes and payment of Variable Return on the Junior Notes.
- 1.4.7 Pursuant to the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.
- 1.4.8 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Master Portfolio and the Transaction Documents.
- 1.4.9 Pursuant to the Cash Reserve Subordinated Loan Agreement, the Cash Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Cash

Reserve Subordinated Loan for an amount of euro 420,000,000 for the purpose of establishing, on the Issue Date, the Cash Reserve in an amount equal to the Initial Cash Reserve Amount.

- 1.4.10 Pursuant to the Renegotiation Reserve Subordinated Loan Agreement, the Renegotiation Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Renegotiation Reserve Subordinated Loan for an amount of euro 5,000,000 for the purpose of (i) establishing, on the Issue Date, the Renegotiation Reserve in an amount equal to the Initial Renegotiation Reserve Amount; and (ii) replenishing the Renegotiation Reserve on any date on which a renegotiation of the terms of the relevant Receivable shall be made in accordance with the terms of the Servicing Agreement and the difference between the Renegotiation Reserve and the Initial Renegotiation Reserve Amount is lower than the Renegotiation Reserve Required Amount.
- 1.4.11 Pursuant to the Set-Off Reserve Subordinated Loan Agreement, the Set-Off Reserve Subordinated Loan Provider has agreed to make available to the Issuer the Set-Off Reserve Subordinated Loan for an amount up to the Set-Off Reserve Required Amount for the purpose of funding or replenishing (as the case may be) the Set-Off Reserve on any Offer Date on which the balance of the Set-Off Reserve Account is lower than the Set-Off Reserve Required Amount.
- 1.4.12 Pursuant to the Swap Agreement, the Swap Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes.
- 1.4.13 Pursuant to the Deed of Pledge, the Issuer has pledged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guaranties) to which it is entitled pursuant or in relation to certain Transaction Documents to which the Issuer is a party, other than claims relating to the Master Portfolio, the Collections, the Recoveries and the proceeds deriving from the issue of the Notes.
- 1.4.14 Pursuant to the Deed of Charge, the Issuer has assigned all right, title, benefit and interest in and to the Swap Agreement in favour of the Representative of the Noteholders (as trustee for the Noteholders and for the Other Issuer Creditors).
- 1.4.15 Pursuant to the Mandate Agreement, the Representative of the Noteholders, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event and upon failure by the Issuer to exercise its rights under the Transaction Documents (but only in relation to the powers and authority needed by the Representative of the Noteholders to enforce the rights entitlements or remedies, to exercise the discretion, authorities or powers, to give the direction or make the determination in respect of which the failure has occurred), is authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.
- 1.4.16 Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.4.17 Pursuant to the Master Definitions Agreement, the definitions and interpretation of certain terms and expressions used in the Transaction Documents have been agreed by the parties to the Transaction Documents.

## 1.5 *Acknowledgement*

Each Senior Noteholder, by reason of holding the Senior Notes acknowledges and agrees that the Sole Lead Manager shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Senior Noteholders as a result of the performance by Securitisation Services S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definition

In these Senior Notes Conditions, the following expressions shall, except where the context otherwise requires and save where otherwise defined, have the following meanings:

**“Account Bank”** means UniCredit S.p.A., or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**“Accounts”** means, collectively, the Principal Accumulation Account, the Collection Account, the General Account, the Payments Account, the Expenses Account, the Cash Reserve Account, the Set-Off Reserve Account, the Renegotiation Reserve Account, the Securities Account, the Cash Collateral Account and the Securities Collateral Account and **“Account”** means any of them.

**“Accrued Interest”** means, on any date and in relation to each Receivable, the portion of Interest Instalments accrued on such date but not yet due.

**“Additional Calculation Agent”** means Capital and Funding Solutions S.r.l., or any other person for the time being acting as Additional Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Adjustment Purchase Price”** means, in relation to any Receivable erroneously excluded from a Portfolio pursuant to clause 4.1.1(b) of the Master Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3.2 of the Master Receivables Purchase Agreement.

**“Arising Date”** the date on which any Future Receivable will arise.

**“Arrears Ratio”** means, on any date, the ratio between the Outstanding Principal of the Receivables classified as Delinquent Receivables and the Outstanding Principal of the Receivables of the Master Portfolio.

**“Business Day”** means any day on which banks are generally open for business in Milan and London and on which TARGET2 is open.

**“Calculation Agent”** means UniCredit Bank AG, London Branch, or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Calculation Date”** means the date falling on the 5<sup>th</sup> Business Day prior to the Payment Date.

**“Cash Allocation, Management and Payments Agreement”** means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Account Bank, the Cash Manager, the Swap Counterparty, the Principal Paying Agent, the Custodian Bank, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Cash Collateral Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT91U0200809422000101585677), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Cash Manager”** means UniCredit S.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

**“Cash Reserve”** means the reserve created on the Cash Reserve Account on the Issue Date in an initial amount of Euro 420,000,000, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

**“Cash Reserve Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT64G0200809422000101537819), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Cash Reserve Amount”** means, at any time, the aggregate of the balance of the amounts standing to the credit of the Cash Reserve Account, net of any interest accrued and paid thereon.

**“Cash Reserve Available Amount”** means, in respect of any Calculation Date:

- (i) prior to the full redemption of the Senior Notes, the amount to be drawn from the Cash Reserve Account equal to:
  - (A) the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount and amounts available under items *First* and *Ninth* of the Principal Priority of Payments on the Payment Date immediately following such Calculation Date) available to pay items from *First* to *Sixth* of the Interest Priority of Payments and the amounts due under items from *First* to *Sixth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date; and
  - (B) if amounts are to be drawn from the Cash Reserve Account under paragraph (A) above, the amounts necessary to pay items *Seventh* and *Eighth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date up to an amount as will leave the balance of the Cash Reserve Account equal to 20% of the Initial Cash Reserve Amount; or

- (C) if no amounts are to be drawn from the Cash Reserve Account under paragraph (A) above, the lower of (i) the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount and amounts available under items *First* and *Ninth* of the Principal Priority of Payments on the Payment Date immediately following such Calculation Date) available to pay items *First* to *Eighth* of the Interest Priority of Payments and the amounts due under items from *First* to *Eighth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date, and (ii) such an amount as will leave the balance of the Cash Reserve Account equal to 20% of the Initial Cash Reserve Amount,

provided that, in each case, should the Cash Reserve Amount on the relevant Calculation Date be lower than either of the amounts specified in paragraphs (A) and (B) above, the Cash Reserve Available Amount on such Calculation Date shall be the then available Cash Reserve Amount; and

- (ii) on the Payment Date on which the Senior Notes are redeemed in full, or following the delivery of a Trigger Notice or on the Final Maturity Date, then available Cash Reserve Amount.

**“Cash Reserve Required Amount”** means:

- (i) on the Issue Date and on any Payment Date, falling prior to the delivery of a Trigger Notice, prior to the full redemption of the Senior Notes, the Initial Cash Reserve Amount;
- (ii) starting from the Payment Date on which the Senior Notes are redeemed in full, or following the delivery of a Trigger Notice or on the Final Maturity Date, 0 (zero).

**“Cash Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Cash Reserve Subordinated Loan Provider.

**“Cash Reserve Subordinated Loan”** means, from time to time, the loan disbursed by the Cash Reserve Subordinated Loan Provider under the Cash Reserve Subordinated Loan Agreement and not repaid by the Issuer.

**“Cash Reserve Subordinated Loan Provider”** means UniCredit S.p.A.

**“Class”** shall be a reference to a class of Notes being the Class A Notes or the Class B Notes and **“Classes”** shall be construed accordingly.

**“Class A Notes”** means the €2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028 issued by the Issuer on the Issue Date.

**“Class A Interest Payment Amount”** has the meaning ascribed to that term in Senior Notes Condition 7.6.2.

**“Class A Rate of Interest”** has the meaning given to it under Senior Notes Condition 7.5.1.

**“Class B Notes”** means €1,236,943,620 Class B Asset Backed Variable Return Notes due 2028 issued by the Issuer on the Issue Date.



**“Clean Up Option Date”** means the Payment Date falling on or immediately after the expiry of the Initial Period.

**“Clearstream”** means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

**“Collateral Accounts”** means, together, the Cash Collateral Account and the Securities Collateral Account.

**“Collection Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT04Y0200809422000101358417), or such substitute account as may be opened in accordance with the Servicing Agreement.

**“Collection Date”** means (a) prior to the delivery of a Trigger Notice, the last calendar day of January, April, July and October of each year, and (b) following the delivery of a Trigger Notice any date as determined by the Representative of the Noteholders in compliance with the Calculation Date definition.

**“Collections”** means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables, including the Recovery Amounts and the prepayments.

**“Commingling Reserve Account”** means the cash account which may be opened in accordance with clause 4.4 of the Servicing Agreement.

**“Commingling Reserve Securities Account”** means the securities account which may be opened in accordance with clause 4.4 of the Servicing Agreement.

**“Conditions”** means, together, the Senior Notes Conditions and the Junior Notes Conditions and **“Condition”** means a condition of either of them.

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

**“Consecutive Payment Dates”** means 2 consecutive Payment Dates.

**“Consolidated Banking Act”** means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

**“Corporate Servicer”** means UniCredit Credit Management Bank S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

**“Corporate Services Agreement”** means the corporate services agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Credito ad Incaglio”** means each Receivable related to a Loan Agreement classified by the Servicer as *“credito ad incaglio”* pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) following the relevant Valuation Date and/or Arising Date.

**“Credito in Sofferenza”** means each Receivable related to a Loan Agreement classified by the Servicer as *“credito in sofferenza”* pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) following the relevant Valuation Date and/or Arising Date.

**“Credito non in Bonis”** means, collectively, the Defaulted Receivables, the *Crediti in Sofferenza*, the *Crediti ad Incaglio* and the *“Crediti Morosi”*.

**“Custodian Bank”** means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Custodian Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**“Custodian Bank Report”** means the report to be prepared and delivered, from time to time, by the Custodian Bank to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Additional Calculation Agent and the Calculation Agent, pursuant to Cash Allocation, Management and Payments Agreement.

**“DBRS”** means DBRS Ratings Limited. A capitalised term otherwise defined in this Prospectus and prefixed by **“DBRS”** refers to such term for the purposes of DBRS. References to a rating by DBRS refer to the relevant public rating maintained by DBRS provided that in cases where DBRS does not maintain a public rating such references shall be to the internal assessment of such rating by DBRS Financial Institutions Group (or such successor group or entity selected by DBRS).

**“Debtor”** means any individual person who entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Loan or who has assumed the original Debtor’s obligation under an *accollo*, or otherwise.

**“Decree 239”** means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

**“Decree 239 Deduction”** means any withholding or deduction for or on account of *“imposta sostitutiva”* under Decree 239.

**“Deed of Charge”** means the English law deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting as trustee for the Noteholders and for the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Deed of Pledge”** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Custodian Bank and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Defaulted Receivables”** means any Receivable arising from a Loan Agreement which has been classified by the Servicer as a *Credito in Sofferenza* or in relation to which there are at least 8 Unpaid Instalments.

**“Delinquent Receivable”** means any Receivable, other than a Defaulted Receivable with respect to which there is at least one Unpaid Instalments.

**“Determination Date”** means, in relation to the Notes:

- (i) with respect to the Initial Interest Period, the date falling two Target2 Days prior to the Issue Date; and
- (ii) with respect to each subsequent Interest Period, the date falling two Target2 Days prior to the Payment Date at the beginning of such Interest Period.

**“Eligible Institution”** means any depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose short-term, unsecured and unsubordinated debt obligations are rated at least (or whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner satisfactory to the Rating Agency, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term, unsecured and unsubordinated debt obligations are rated at least) “P-1” by Moody’s and at least “A” (middle) by DBRS.

**“Eligible Investment”** means:

- (A) euro-denominated senior (unsubordinated) debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes, or
- (B) repurchase transactions, to the extent that title to the securities underlying such repurchase transactions (in the period comprised between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, between the Issuer and UniCredit S.p.A. (to the extent that and for so long as UniCredit S.p.A. is an Eligible Institution) in respect of euro-denominated debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes,

provided that, in all cases: (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) and (iii) the debt securities or other debt instruments, or in the case of repurchase transactions, the debt securities or other debt instruments underlying the repurchase transactions, are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

- (X) with respect to Moody’s ratings, either: (i) “A2” by Moody’s in respect of long-term debt or “P-1” by Moody’s in respect of short-term debt, with regard to investments having a maturity of less than or equal to one month; or (ii) “A1” by Moody’s in respect of long-term debt or “P-1” by Moody’s in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody’s from time to time; and
- (Y) with respect to DBRS ratings, either: (i) “R-1(low)” by DBRS in respect of short-term debt and “A” by DBRS in respect of long-term debt, with regard to investments

having a maturity of less than or equal to one month; or (ii) “R-1(middle)” by DBRS in respect of short-term debt and “AA (low)” in respect of long-term debt, with regard to investments having a maturity of less than or equal to three months; or (iii) otherwise which has the following ratings from at least 2 of the following rating agencies: (a) at least “F1” and “A” by Fitch; (b) at least “A-1” and “A” by Standard & Poor’s; (c) at least “P-1” and “A2” by Moody’s,

provided that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

“**Eligible Investments Maturity Date**” means the date falling on the 2<sup>nd</sup> Business Day prior to each Calculation Date.

“**EU Insolvency Regulation**” means the Council Regulation (EC) No. 1346/2000 of 29 May 2000.

“**Euribor**” means:

- (a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on Bloomberg page EUR003M index in the menu MMCV1 (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 4 month deposits in Euro will be substituted); or
- (b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or
- (d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the “**Screen Rate**” or, in the case of the Initial Interest Period, the “**Additional Screen Rate**”) at or about 11:00 a.m. (Brussels time) on the Determination Date; and

- (e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:
- (i) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or
  - (ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

“**Euro**”, “**cents**” and “**€**” refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

“**Euroclear**” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

“**Euro-Zone**” means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

“**Expenses**” means:

- (i) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and
- (ii) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer’s Rights.

“**Expenses Account**” means the Euro denominated account established in the name of the Issuer with UniCredit S.p.A. (IBAN: IT35F0200809422000101539142).

**“Extraordinary Resolution”** shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**“Final Maturity Date”** means the Payment Date falling in November 2028.

**“Financial Laws Consolidation Act”** means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

**“First Amortisation Payment Date”** means the Payment Date falling immediately after the later of (i) the expiry of the Initial Period and (ii) the expiry of the Revolving Period.

**“First Payment Date”** means the Payment Date falling in November 2011.

**“FSMA”** means the Financial Services and Markets Act 2000.

**“Further Portfolio”** means any portfolio of Receivables (other than the Initial Portfolio) purchased by the Issuer from the Originator from time to time pursuant to the terms and conditions of the Master Receivables Purchase Agreement.

**“General Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT34A0200809422000101538800), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Holder”** or **“holder”** means the ultimate owner of a Note.

**“Initial Cash Reserve Amount”** means, as at the Issue Date, euro 420,000,000.

**“Initial Interest Period”** means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**“Initial Outstanding Principal”** means the principal amount outstanding in relation to each Receivable in accordance with the relevant Loan Agreement as at the relevant Valuation Date or Arising Date (net of any principal payment made until the relevant Valuation Date or Arising Date (included)).

**“Initial Period”** means the period starting from the Issue Date and ending on the first Payment Date falling after 18 months following the Issue Date.

**“Initial Portfolio”** means the portfolio of Receivables purchased on 8 July 2011 by the Issuer pursuant to the terms and conditions of the Master Receivables Purchase Agreement.

**“Initial Renegotiation Reserve Amount”** means, as at the Issue Date, euro 5,000,000.

**“Initial Set-Off Exposure”** means, on any Offer Date and with reference to all the Receivables comprised in the Master Portfolio (including any Further Portfolio to be purchase on the immediately following Transfer Date) the aggregate of the amounts which can be off-set by the Debtors against the amounts owed to it by the Originator, as calculated in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

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

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, *“fallimento”*, *“liquidazione coatta amministrativa”*, *“concordato preventivo”*, and *“amministrazione straordinaria”*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or
- (e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**“Instalment”** means, with respect to each Loan Agreement, each instalment due from the relevant Debtor which consists of an Interest Instalment and a Principal Instalment.

**“Insurance Policy”** means, with respect to certain Receivables, the insurance policies stipulated by the Originator covering certain risks associated with the relevant Debtor.

**“Intercreditor Agreement”** means the intercreditor agreement entered into on or about the Issue Date between, *inter alios*, the Issuer and the Other Issuer Creditors, as from time to time

modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Interest Available Funds”** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account, excluding any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (ii) without duplication of (i) above, an amount equal to the interest, yield and profit components invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (iii) all Recoveries (including, for avoidance of doubt, principal and interest components) collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;
- (iv) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;
- (v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including any proceeds deriving from the enforcement of the Issuer’s Rights);
- (vi) any payment to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement, except for any Swap Collateral Excluded Amounts;
- (vii) the Cash Reserve Available Amount (if any) on the Calculation Date immediately preceding such Payment Date;
- (viii) the Interest Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the interest portion of the Renegotiated Blocked Amount relating to the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period;
- (ix) the Interest Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date;



- (x) any amount equal to any interest, yield and profit component accrued on or generated by any Eligible Investments (if any) up to the Eligible Investments Maturity Date immediately preceding such Payment Date;
- (xi) any amount allocated on such Payment Date under items *First* and *Ninth* of the Principal Priority of Payments prior to the delivery of a Trigger Notice.

**“Interest Instalment”** means the interest component of each Instalment.

**“Interest Period”** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**“Interest Priority of Payments”** means the Priority of Payments under Condition 6.1 (*Priority of Payments - Interest Priority of Payments prior to the delivery of a Trigger Notice*).

**“Interest Renegotiation Loss”** means, in relation to each Receivable subject to a renegotiation (a) with reference to any renegotiation made by the Servicer resulting in a payment holiday of the Interest Instalment of the relevant Loan, an amount of each Interest Instalments so suspended; and (b) with reference to any renegotiation made by the Servicer resulting in amending the rate applicable to the relevant Loan: (i) in case of fixed rate, the amount equal to (a) the difference (if positive) between the fixed interest rate applicable prior the relevant renegotiation and the new fixed interest rate, multiplied by (b) the Outstanding Principal Amount of the Receivable renegotiated, and (c) the residual life of the Receivable; and (ii) in case of floating rate, the amount equal to (a) the difference (if positive) between the margin applicable over the relevant index prior the relevant renegotiation and the new margin, multiplied by (b) the Outstanding Principal Amount of the Receivable renegotiated and (c) the residual life of the Receivable.

**“Interest Set-Off Loss”** means, with respect to any Loan in relation to which the relevant Debtor has exercised its right of set-off against the Originator, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement, the interest portion of the amount not paid by the relevant Debtor following the exercise of its right of set-off against the Originator.

**“Investors Report”** means the report to be prepared from time to time by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

**“Issue Date”** means 1 August 2011, or such other date on which the Notes are issued.

**“Issue Price”** means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

**“Issuer”** means Consumer One S.r.l., a *società a responsabilità limitata* with sole quotaholder incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10.000,00 fully paid up, having its registered office is at Piazzetta Monte, 1, 37121, Verona, Italy, fiscal code and enrolment in the companies' register of Verona number 04362530265 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

**“Issuer Available Funds”** means the aggregate of the Interest Available Funds and the Principal Available Funds.

**“Issuer Cash Collateral”** means, on each Calculation Date in respect of the immediately following Payment Date, the difference (if positive) between (i) the Principal Available Funds on such Payment Date, and (ii) the aggregate of (A) the Principal Component of the Purchase Price to be paid on such Payment Date, if any, and (B) any amounts due and payable in priority thereto, in accordance with the applicable Priority of Payments.

**“Issuer’s Rights”** means the Issuer’s rights under the Transaction Documents.

**“Joint Regulation”** means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008, as amended and supplemented from time to time.

**“Junior Noteholders”** means the holders, from time to time, of the Junior Notes.

**“Junior Notes”** means the Class B Notes.

**“Junior Notes Conditions”** means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

**“Junior Notes Retained Amount”** means an amount equal to 10% of the Principal Amount Outstanding of the Junior Notes upon issue.

**“Junior Notes Subscription Agreement”** means the subscription agreement in relation to the Junior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Liabilities”** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

**“Limited Recourse Loan”** means the limited recourse loan to be granted by the Originator subject to and in accordance with clause 5.5.1 of the Warranty and Indemnity Agreement.

**“Loan”** means each personal loan granted by UniCredit S.p.A. to a Debtor whose Receivables has been assigned in accordance with the Master Receivables Purchase Agreement and/or the relevant Purchase Agreement.

**“Loan Agreement”** means each agreement from which a Receivable arises entered into between UniCredit and a Debtor on the basis of the general terms and conditions prepared by UniCredit according to which UniCredit has granted a loan to a Debtor against the payment of the Instalments.

**“Mandate Agreement”** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in

accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Margin”** means: (i) with respect to the Class A Notes 1.25% per annum; and (ii) with respect to the Class B Notes 5.00% per annum.

**“Master Definitions Agreement”** means the master definitions agreement entered into on or about the Issue Date between the parties to each of the Transaction Documents (other than Monte Titoli), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Master Portfolio”** means collectively, the Initial Portfolio and the Further Portfolios.

**“Master Receivables Purchase Agreement”** means the receivables purchase agreement entered into on 8 July 2011 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Monte Titoli”** means Monte Titoli S.p.A., a joint stock company having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

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

**“Monte Titoli Mandate Agreement”** means the agreement entered into between the Issuer and Monte Titoli.

**“Moody’s”** means Moody’s Investors Service.

**“Most Senior Class of the Notes”** means (i) the Senior Notes, and (ii) following the full repayment of all the Senior Notes, the Junior Notes.

**“Noteholders”** means, together, the Senior Noteholders and the Junior Noteholders.

**“Notes”** means, together, the Senior Notes and the Junior Notes.

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

**“Offer Date”** means the date falling at least 5 Business Days prior to each Payment Date, on which the Originator may deliver to the Issuer an Offer Letter in order to assign a Further Portfolio in accordance with the Master Receivables Purchase Agreement.

**“Official Gazette”** means the *Gazzetta Ufficiale della Repubblica Italiana*.

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

**“Originator”** means UniCredit S.p.A.

**“Other Component of the Purchase Price”** means:

- (i) in relation to the Existing Receivables, the sum of the Accrued Interest of the relevant Existing Receivables and any other amount due and not paid by the relevant Debtor as the relevant Valuation Date (included); and
- (ii) in relation to the Future Receivables, any amount due and not paid by the relevant Debtor as the relevant Arising Date (included).

**“Other Issuer Creditors”** means the Originator, the Servicer, the Account Bank, the Cash Manager, the Swap Counterparty, the Principal Paying Agent, the Custodian Bank, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer, the Cash Reserve Subordinated Loan Provider, the Renegotiation Reserve Subordinated Loan Provider, the Set-Off Reserve Subordinated Loan Provider and the Representative of the Noteholders and any party who at any time accedes to the Intercreditor Agreement.

**“Outstanding Principal”** means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments which shall be paid on each following Scheduled Instalment Due Date and the Principal Instalments due but unpaid on such date.

**“Paying Agents”** means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the Cash Allocation, Management and Payments Agreement.

**“Payment Date”** means (a) prior to the delivery of a Trigger Notice, the last calendar day of February, May, August and November in each year or, if such day is not a Business Day, the immediately preceding Business Day, and (b) following the delivery of a Trigger Notice, any Business Day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions, the Intercreditor Agreement and in compliance with the Calculation Date definition.

**“Payments Account”** means the Euro denominated account established in the name of the Issuer with the Principal Paying Agent with (IBAN: IT31M034790160000800880200), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Payments Report”** means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

**“Portfolio”** means the Initial Portfolio or a Further Portfolio, as applicable.

**“Post Trigger Notice Priority of Payments”** means the Priority of Payments set out in Condition 6.3 (*Post Trigger Notice Priority of Payments*).

**“Principal Accumulation Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank with (IBAN: IT45I0200809422000101537529), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Principal Amount Outstanding”** means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

**“Principal Available Funds”** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account;
- (ii) without duplication of (i) above, an amount equal to the principal components (including any amount not accounted for in item (ii) of the definition of Interest Available Funds) invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (iii) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and credited to the Collection Account during the immediately preceding Quarterly Collection Period;
- (iv) any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (v) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Eight* of the Interest Priority of Payments;
- (vi) all the proceeds deriving from the sale, if any, of the Master Portfolio or of individual Receivables or following the exercise of the pre-emption right, in each case in accordance with the provisions of the Transaction Documents;
- (vii) any amount set aside in the Payments Account on the immediately preceding Payment Date in accordance with clause 3.3 of the Master Receivables Purchase Agreement and not paid nor payable to the Originator upon the occurrence of the events specified in clauses 3.3.3 or 9.3.2 of the Master Receivables Purchase Agreement;
- (viii) any amount transferred from the Commingling Reserve Account (if opened) to the General Account during the immediately preceding Quarterly Collection Period in accordance with the provisions of the Transaction Documents;
- (ix) on each Payment Date falling prior to the First Amortisation Payment Date and on the First Amortisation Payment Date, the Issuer Cash Collateral standing to the credit of the Principal Accumulation Account;
- (x) the Principal Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the principal portion of the Renegotiated Blocked

Amount relating to the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period;

- (xi) the Principal Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date; and
- (xii) any amount allocated on such Payment Date under item *Seventh* of the Interest Priority of Payments;
- (xiii) following the delivery of a Trigger Notice, the amounts standing to the credit of the Expenses Account upon its closure in accordance with the Cash Allocation, Management and Payments Agreement;
- (xiv) on the Payment Date on which the Senior Notes are redeemed in full, any amounts standing to the credit of the Set-Off Reserve Account and the Renegotiation Reserve Account.

**“Principal Component of the Purchase Price”** means, in relation to each Receivables, the Initial Outstanding Principal of each such Receivables.

**“Principal Deficiency Ledger”** means the ledger established and maintained by the Computation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Principal Instalment”** means the principal component of each Instalment.

**“Principal Paying Agent”** means BNP Paribas Securities Services, Milan branch or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Principal Payment Amount”** shall have the meaning ascribed to it in Condition 8.6.2 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

**“Principal Priority of Payments”** means the Priority of Payments under Condition 6.2 (*Priority of Payments - Principal Priority of Payments prior to the delivery of a Trigger Notice*).

**“Principal Renegotiation Loss”** means with reference to any renegotiation made by the Servicer resulting in a payment holiday of the Principal Instalment of the relevant Loan, an amount of each Principal Instalments so suspended.

**“Principal Set-Off Loss”** means, with respect to any Loan in relation to which the relevant Debtor has exercised its right of set-off against the Originator, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement, the principal portion of the amount not paid by the relevant Debtor following the exercise of its right of set-off against the Originator.

**“Priority of Payments”** means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Junior Notes Conditions and the Intercreditor Agreement.

**“Purchase Price”** means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio and each Further Portfolio, as the case may be.

**“Purchase Termination Event”** means any of the events referred to in Condition 13 and clause 9 of the Master Receivables Purchase Agreement.

**“Purchase Termination Notice”** shall have the meaning ascribed to it in Condition 13.

**“Quarterly Collection Period”** means:

- (a) prior to the service of a Trigger Notice, each period of three months commencing on (and excluding) a Collection Date and ending on (and including) the next Collection Date;
- (b) following the service of a Trigger Notice, each period commencing on (but excluding) a Collection Date and ending on (and including) the next following Collection Date as determined by the Representative of the Noteholders; and
- (c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Valuation Date of the Initial Portfolio and ending on (and including) the Collection Date falling on October 2011.

**“Quarterly Servicer’s Report Date”** means (a) prior the delivery of a Trigger Notice the date falling on the twelfth Business Day prior to any Payment Date and (b) following the delivery of a Trigger Notice any date determined by the Representative of the Noteholders in compliance with the Calculation Date definition.

**“Quotaholder”** means SVM Securitisation Vehicles Management S.r.l.

**“Quotaholder’s Agreement”** means the agreement entered into on or about the Issue Date between the Quotaholder, the Issuer, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Rating Agencies”** means DBRS and Moody’s.

**“Receivables”** means any and all existing and future claim deriving from the Loans and the Loan Agreements including, without limitation:

- (i) amounts due on account of principal and interest accrued (and not yet paid), in relation to the Receivables as at the relevant Valuation Date (included);
- (ii) amount on account of principal not yet due and interest (including default interest) accruing on the Receivables starting from the relevant Valuation Date (excluded);
- (iii) amounts due as at the relevant Valuation Date (included) and accruing from the relevant Valuation Date (excluded) on account of reimbursement of losses, indemnities and damages, fees, prepayment penalties and other amounts due in case of prepayment of the Loans, as well as any other amount received by or payable to the Originator as indemnity payment due to the Debtor of the Originator under the Insurance Policies, with express inclusions of recovery expenses in relation to defaulted receivables, expenses in connection with the payment of instalments (*spese incasso rata*) as well as any other expense relating to the management of the Receivables (including, without limitation, expenses relating to the delivery of account

statements and/or other notices to the Debtors) (together with the amounts under items (i) and (ii) above, the “**Existing Receivables**”);

- (iv) amounts owed for outstanding principal and interest (including default interest) which will accrue in relation to further disbursement (where envisaged therein) under the relevant Loan Agreement starting from the relevant Arising Date (included) as well as the other amounts, if any, due under a Loan following the extension or renewal of an Insurance Policy (the “**Future Receivables**”),

together with all and any guarantee transferable together with the Receivables, including the guarantees (excluding the so called *garanzie omnibus*) deriving from any security arrangement, granted or in any other way existing in favour of the Originator in relation to a Loan, a Loan Agreement or a Receivable.

“**Recoveries**” means any amounts received or recovered in relation to any *Credito non in Bonis*.

“**Recovery Amounts**” means the amounts recovered by the Servicer under Defaulted Receivables or Delinquent Receivables.

“**Reference Bank**” means each of Barclays Bank PLC, Lloyds TSB Bank plc and Deutsche Bank AG and “**Reference Banks**” means all of them, or, if any such bank is unable or unwilling to continue to act as such, any other bank as appointed by the Issuer with the prior consent of the Representative of the Noteholders.

“**Regulated Market**” means the Irish Stock Exchange’s main regulated market.

“**Renegotiation Reserve**” means the reserve created on the Renegotiation Reserve Account on the Issue Date in an amount equal to the Initial Renegotiation Reserve Amount, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

“**Renegotiation Reserve Account**” means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT83D0200809422000101538522), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

“**Renegotiation Reserve Available Amount**” means, in respect of any Calculation Date, the difference between (A) the balance of the Renegotiation Reserve Account and (B) the Renegotiation Blocked Amount.

“**Renegotiation Reserve Required Amount**” means:

- (i) on the Issue Date, the Initial Renegotiation Reserve Amount;
- (ii) prior to the delivery of a Trigger Notice an amount equal to the aggregate of the Interest Renegotiation Losses and the Principal Renegotiation Losses which will arise following the renegotiation of the Receivables;

on the Payment Date on which the Senior Notes are redeemed in full or following the delivery of a Trigger Notice, or on the Final Maturity Date, 0 (zero).

“**Renegotiation Reserve Subordinated Loan**” means Euro 5,000,000.



**“Renegotiation Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Renegotiation Reserve Subordinated Loan Provider.

**“Renegotiation Reserve Subordinated Loan Provider”** means UniCredit S.p.A.

**“Representative of the Noteholders”** means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders in accordance with the Conditions.

**“Retention Amount”** means an amount equal to Euro 50,000, provided that on the Payment Date on which the Notes have been repaid in full, the Retention Amount will be the amount indicated by the Corporate Servicer in order to pay the Issuer’s expenses following the repayment in full of the Notes.

**“Revolving Period”** means the period starting from the Issue Date and ending on the earlier of (i) the first Payment Date falling after 24 months following the Issue Date; (ii) the date on which a Purchase Termination Notice or Trigger Notice has been served pursuant to, respectively, Condition 13 (*Purchase Termination Events*) or Condition 12 (*Trigger Events*); and (iii) the date on which a notice has been served pursuant to, respectively, Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*).

**“Rules of the Organisation of the Noteholders”** or **“Rules”** means the rules of the organisation of the Noteholders attached as an Exhibit to the Senior Notes Conditions and the Junior Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Scheduled Instalment Due Date”** means any date on which an Instalment is due pursuant to a Loan Agreement.

**“Securities Act”** means the U.S. Securities Act of 1933, as amended.

**“Securitisation”** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

**“Securitisation Law”** means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

**“Securities Account”** means the securities account established in the name of the Issuer with the Custodian Bank under number 880200, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Securities Collateral Account”** means the securities account established in the name of the Issuer with the Account Bank under number 9204/40348149, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Security”** means the security created pursuant to the Deed of Pledge and the Deed of Charge.

**“Security Interest”** means:

- (a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement having a similar effect.

**“Senior Noteholders”** means the holders, from time to time, of the Senior Notes.

**“Senior Notes”** means the Class A Notes.

**“Senior Notes Conditions”** means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

**“Senior Notes Subscription Agreement”** means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Lead Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Servicer”** means UniCredit S.p.A., or any other person acting for the time being acting as Servicer pursuant to the Servicing Agreement.

**“Servicing Agreement”** means the agreement entered into on 8 July 2011 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Servicing Fee”** means the servicing fee as determined in accordance with clause 11 of the Servicing Agreement.

**“Set-Off Exposure”** means, on any Offer Date and with reference to all the Receivables comprised in the Master Portfolio (including any Further Portfolio to be purchased on the immediately following Transfer Date) the aggregate of the amounts which can be off-set by the Debtors against the amounts owed to it by the Originator, as calculated in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, which is in excess of the amount determined, from time to time, by the Bank of Italy in accordance with article 96-*bis*, paragraph 5, of the Consolidated Banking Act.

**“Set-Off Reserve”** means the reserve to be created on the Set-Off Reserve Account, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

**“Set-Off Reserve Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT85J0200809422000101538627), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Set-Off Reserve Excess Amount”** means, on any Payment Date after the end of the Revolving Period, an amount equal to the difference, if positive, between (i) any amount standing to the credit of the Set-Off Reserve Account (net of any Interest Set-Off Loss and Principal Set-Off Loss to be used as Interest Available Funds or Principal Available Funds, as applicable, on the immediately following Payment Date); and (ii) the Set-Off Reserve Required Amount on such Payment Date.

**“Set-Off Reserve Required Amount”** means:

- (i) on any Offer Date falling prior to the delivery of a Trigger Notice:
  - (A) if the unsecured and unsubordinated short term rating of the Originator is equal to or higher than “P-1” by Moody’s or the long unsecured and unsubordinated term rating of the Originator is equal to or higher than “A2” by Moody’s or “A (middle)” by DBRS, an amount equal to zero;
  - (B) if the condition (A) above is not met and the unsecured and unsubordinated short term rating of the Originator is higher than or equal to “P-2” by Moody’s and the unsecured and unsubordinated long term rating of the Originator is higher than or equal to “A3” by Moody’s or “A (low)” by DBRS, an amount equal to 50% of the then applicable Set-Off Exposure;
  - (C) if the conditions (A) and (B) above are not met and the unsecured and unsubordinated short term rating of the Originator is higher than or equal to “P-3” by Moody’s and the long unsecured and unsubordinated term rating of the Originator is higher than or equal to “Baa1” by Moody’s or “BBB (high)” by DBRS, an amount equal to 100% of the then applicable Set-Off Exposure;
  - (D) if the unsecured and unsubordinated short term rating of the Originator is lower than “P-3” by Moody’s and the long unsecured and unsubordinated term rating of the Originator is lower than “Baa1” by Moody’s or “BBB (high)” by DBRS, an amount equal to 100% of the Initial Set-Off Exposure;
- (ii) on the Payment Date on which the Senior Notes are redeemed in full or following the delivery of a Trigger Notice, or on the Final Maturity Date, 0 (zero).

**“Set-Off Reserve Subordinated Loan”** means, from time to time, the loan disbursed by the Set-Off Reserve Subordinated Loan Provider under the Set-Off Reserve Subordinated Loan Agreement and not repaid by the Issuer.

**“Set-Off Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Set-Off Reserve Subordinated Loan Provider.

**“Set-Off Reserve Subordinated Loan Provider”** means UniCredit S.p.A.

**“Sole Affected Party”** means an Affected Party as defined in the Swap Agreement which at the relevant time is the only Affected Party under the Swap Agreement.

**“Specified Office”** means with respect to the Principal Paying Agent, Via Ansperto, 5, 20123 Milan, Italy, or, with respect to any additional or other Paying Agent appointed pursuant to the Senior Notes Condition 10.4 (*Change of Paying Agent*) and the provisions of the Cash Allocation,

Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with the Senior Notes Condition 10.4 (*Change of Paying Agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**“Subscription Agreements”** means, together, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**“Swap Agreement”** means the hedging agreements entered into on or about the Issue Date between the Issuer and the Swap Counterparty in the form of an International Swaps and Derivatives Association, Inc. (**“ISDA”**) 1992 Master Agreement (*Multicurrency – Cross Border*) dated on or about the Issue Date, together with the schedule and credit support annex thereto and the related confirmations, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Swap Collateral”** means all moneys and securities standing at any point in time to the credit of the Collateral Accounts.

**“Swap Collateral Excluded Amounts”** means, at any time, the amount of Swap Collateral which may not be applied under the terms of the Swap Agreement and the Intercreditor Agreement at that time in satisfaction of the Swap Counterparty’s obligations to the Issuer, including Swap Collateral which is to be returned to the Swap Counterparty from time to time in accordance with the terms of the Swap Agreement and the Intercreditor Agreement.

**“Swap Counterparty”** means UniCredit S.p.A. or any other person acting as Swap Counterparty.

**“TARGET System”** means the TARGET2 system.

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**“Target2 Day”** means any day on which the TARGET2 is open.

**“Tax”** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

**“Tax Deduction”** means any deduction or withholding on account of Tax.

**“Transaction Documents”** means, together, the Master Definitions Agreement, the Master Receivables Purchase Agreement, each Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation Management and Payments Agreement, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Intercreditor Agreement, the Quotaholder’s Agreement, the Corporate Services Agreement, the Deed of Pledge, the Deed of Charge, the Mandate Agreement, the Conditions, this Prospectus, the Monte Titoli Mandate Agreement, the Cash Reserve Subordinated Loan Agreement, the Renegotiation Reserve Subordinated Loan Agreement, the Set-Off Reserve

Subordinated Loan Agreement and any other document which may entered into, from time to time in connection with the Securitisation.

**“Transfer Date”** means, in relation to the Initial Portfolio, 8 July 2011 and in relation to any Further Portfolio the date on which the Originator receives from the Issuer the acceptance to the Offer Letter in accordance with the Master Receivables Purchase Agreement.

**“Trigger Event”** means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

**“Trigger Event Report”** means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**“Trigger Notice”** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

**“Unpaid Instalment”** means an Instalment which, on any date, is due but not paid in full for at least 30 days from the date the payment was due in accordance with the relevant Loan Agreement.

**“Variable Return”** means the amount, which may be payable on the Junior Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

**“Warranty and Indemnity Agreement”** means the agreement entered into on 8 July 2011 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

## 2.2 Interpretation

### 2.2.1 *References in Senior Notes Condition*

Any reference in these Senior Notes Conditions to:

**“holder”** and **“Holder”** mean the ultimate holder of a Note and the words **“holder”**, **“Noteholder”** and related expressions shall be construed accordingly;

a **“law”** shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

“**person**” shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

a “**successor**” of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

#### 2.2.2 *Transaction Documents and other agreements*

Any reference to the Master Definitions Agreement, any other document defined as a “**Transaction Document**” or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

#### 2.2.3 *Transaction Parties*

A reference to any person defined as a “**Transaction Party**” in these Senior Notes Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

#### 2.2.4 *Master Definitions Agreement*

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

### 3. **DENOMINATION, FORM AND TITLE**

#### 3.1 *Denomination*

The Senior Notes are issued in the denomination of €100,000.

#### 3.2 *Form*

The Senior Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

#### 3.3 *Title and Monte Titoli*

The Senior Notes will be held by Monte Titoli on behalf of the Senior Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. No physical documents of title will be issued in respect of the Senior Notes.

### 3.4 *Holder Absolute Owner*

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

### 3.5 *The Rules*

The rights and powers of the Senior Noteholders may only be exercised in accordance with the Rules attached to these Senior Notes Conditions as an Exhibit which shall constitute an integral and essential part of these Senior Notes Conditions.

### 3.6 *Rights under the Deed of Pledge*

The rights arising from the Deed of Pledge are included in each Senior Note.

## 4. **STATUS, SEGREGATION AND RANKING**

### 4.1 *Status*

The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Senior Notes is limited to the amounts received or recovered by the Issuer in respect of the Master Portfolio and pursuant to the exercise of the Issuer's Rights, as further specified in Senior Notes Condition 9.2 (*Limited recourse obligation of the Issuer*). The Senior Noteholders acknowledge that the limited recourse nature of the Senior Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code.

### 4.2 *Segregation by law and security*

4.2.1 By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Master Portfolio is segregated from all other assets of the Issuer and any amount deriving therefrom will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.2.2 The Notes of each Class have the benefit of the Security over certain assets of the Issuer pursuant to the Deed of Pledge and the Deed of Charge.

### 4.3 *Ranking*

4.3.1 In respect of the obligation of the Issuer to pay interest on the Senior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to repayment of principal due on the Senior Notes,

payments of interest and Variable Return and repayment of principal due on the Junior Notes.

4.3.2 In respect of the obligation of the Issuer to pay interest on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to payments of Variable Return and repayment of principal due on the Junior Notes.

4.3.3 In respect of the obligation of the Issuer to pay the Variable Return on the Junior Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice, the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes, to payment of interest and, up to the Junior Notes Retained Amount, repayment of principal due on the Junior Notes and in priority to payments of the Junior Notes Retained Amount due on the Junior Notes.

4.3.4 In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, both prior to and following the delivery of a Trigger Notice:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest on the Senior Notes and in priority to payments of interest and Variable Return due on the Junior Notes and repayment of principal due on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and to payment of interest on the Junior Notes and in priority to the Variable Return for an amount up to the Junior Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Junior Notes Retained Amount.

#### 4.4 *Obligations of Issuer only*

The Senior Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

### 5. COVENANTS

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

#### 5.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Master Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Master Portfolio or any of its assets, except in connection with any further securitisations permitted pursuant to Senior Notes Condition 5.11 (*Further securitisations*) below; or



## 5.2 *Restrictions on activities*

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Senior Notes Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset; or

## 5.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by applicable law; or

## 5.4 *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 29 April 2011, unless in order to comply with the provisions of law applicable to it as a financial intermediary; or

## 5.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of any further securitisation permitted pursuant to Senior Notes Condition 5.11 (*Further securitisations*) below) or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

## 5.6 *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

## 5.7 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Master Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Collateral Accounts, the Expenses Account, the account on which its quota capital is deposited or any bank accounts opened in relation to any further securitisation permitted pursuant to Senior Notes Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or *atto costitutivo* except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities; or

5.10 *Corporate records, financial statements and book of account*

cease to maintain corporate records, financial statements and book of account separate from those of the Originator and any other person or entity; or

5.11 *Further securitisations*

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and the then current rating assigned by the Rating Agencies on the Senior Notes is not negatively affected by such securitisation, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

**6. PRIORITY OF PAYMENTS**

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

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

*Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

*Third*, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

*Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Custodian Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

*Fifth*, to pay any amount due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;

*Sixth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

*Seventh*, to transfer to the Principal Available Funds any amount paid on the preceding Payment Dates under item *First* of the Principal Priority of Payments and not yet repaid pursuant to this item;

*Eighth*, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero;

*Ninth*, to transfer to the Cash Reserve Account an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

*Tenth*, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Other Component of the Purchase Price due and payable in relation to the Existing Receivables comprised in the Initial Portfolio or, as the case may be, Further Portfolio; (B) the Other Component of the Purchase Price due and payable but which have remained unpaid on previous Payment Dates in relation to the Existing Receivables comprised in the Initial Portfolio or, as the case may be, Further Portfolio; and (C) the Other Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Eleventh*, to pay any swap termination payment due and payable to the Swap Counterparty under the Swap Agreement, other than any amount paid under item *Fifth* above;

*Twelfth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper costs and expenses (if any) due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper costs and expenses (if any) due and payable on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider any amount due and payable on account of interest and proper costs and expenses (if any) due and payable interest and costs (if any) due and payable on the Set-Off Reserve Subordinated Loan;

*Thirteenth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider principal due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider principal due and payable on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider principal due and payable on the Set-Off Reserve Subordinated Loan;

*Fourteenth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

*Fifteenth*, to pay the Variable Return (if any) on the Junior Notes.

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

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, to pay any amount payable under items *First* to *Sixth* (inclusive) under the Interest Priority of Payments, to the extent that the Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

*Second*, during the Revolving Period, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Principal Component of the Purchase Price to be paid in relation to each Existing Receivable comprised in the Further Portfolio purchased by the Issuer on the immediately preceding Transfer Date, provided that, in the event the formalities provided for under the Master Receivables Purchase Agreement have not been complied with on such Payment Date, an amount equal to such Principal Component of the Purchase Price will be credited on the Payments Account and paid to the Originator on the Business Day immediately following the compliance of such formalities; (B) the Principal Component of the Purchase Price in relation to the Existing Receivables comprised in Further Portfolios due and payable but which have remained unpaid on previous Payment Dates, as the case may be; and (C) the Principal Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Third*, (A) on any Payment Date prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (B) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Senior Notes outstanding on such Payment Date;

*Fourth*, following the expiry of the Revolving Period, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Principal Component of the Purchase Price due and payable in relation to the Existing Receivables comprised in Further Portfolios (including, for the avoidance of doubt, those due and unpaid on previous Payment Dates); and (B) the Principal Component of the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Fifth*, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3.2 of the Master Receivables Purchase Agreement;

*Sixth*, unless already paid under the Interest Priority of Payments, to pay all amounts due and payable on such Payment Date under items *Eleventh*, *Twelfth* and *Thirteenth* of the Interest Priority of Payments;

*Seventh*, to pay to the Originator any amount due and payable under the Transaction Document, to the extent not already paid or payable under other items of this Priority of Payments;

*Eight*, (A) on any Payment Date prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (B) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Junior Notes outstanding on such Payment Date up to the Junior Notes Retained Amount;

*Ninth*, (A) up to but excluding the Payment Date falling after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full and (B) on the Payment Date falling after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full net of any amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes;

*Tenth*, on the Payment Date falling after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no outstanding Receivables, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

### 6.3 *Post Trigger Notice Priority of Payments*

On each Payment Date following the delivery of a Trigger Notice and upon redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account):

*First*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

*Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) the remuneration and any indemnity amount due to any receiver appointed under the Deed of Charge and any proper costs and expenses incurred by it in connection therewith;

*Third*, if the relevant Trigger Event is not an Insolvency Event, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

*Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Payment Date to the Account Bank, the Custodian Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Corporate Servicer and the Servicer;

*Fifth*, to pay any amount due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payments upon early termination of the Swap Agreement, except where the Swap Counterparty is the Defaulting Party or the Sole Affected Party;

*Sixth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof all amounts of interest due and payable on the Senior Notes on such Payment Date;

*Seventh*, (a) prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account all remaining Issuer Available Funds on such Payment Date; and (b) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Senior Notes outstanding on such Payment Date;

*Eighth*, to pay, *pari passu* and *pro rata*, to the Originator: (A) the Purchase Price (including, for the avoidance of doubt, the Other Component of the Purchase Price, if any) due and payable in relation to the Existing Receivables comprised in Further Portfolios (including, for the avoidance of doubt, those amounts due and unpaid on previous Payment Dates); and (B) the Purchase Price due and payable in relation to each Future Receivable which has come into existence during the immediately preceding Quarterly Collection Period, subject to, and in accordance with, the Master Receivables Purchase Agreement;

*Ninth*, to pay any swap termination payments due and payable to the Swap Counterparty under the Swap Agreement other than any amount paid under item *Fifth* above;

*Tenth*, to pay, *pari passu* and *pro rata*, to (i) the Cash Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable on the Cash Reserve Subordinated Loan; (ii) the Renegotiation Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable on the Renegotiation Reserve Subordinated Loan; and (iii) the Set-Off Reserve Subordinated Loan Provider interest, costs (if any) and principal due and payable on the Set-Off Reserve Subordinated Loan;

*Eleventh*, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3.2 of the Master Receivables Purchase Agreement;

*Twelfth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

*Thirteenth*, to pay to the Originator any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

*Fourteenth*, (a) prior to the First Amortisation Payment Date, to retain on the Principal Accumulation Account the Issuer Cash Collateral on such Payment Date; and (b) on the First Amortisation Payment Date and on any Payment Date thereafter, to pay, *pari passu* and *pro rata*, principal on the Junior Notes outstanding on such Payment Date up to the Junior Notes Retained Amount;

*Fifteenth*, to pay, *pari passu* and *pro rata*, the Variable Return on the Junior Notes; and

*Sixteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

## 7. INTEREST

### 7.1 *Accrual of interest*

Each Senior Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date.

### 7.2 *Payment Dates and Interest Periods*

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling in November 2011 in respect of the Initial Interest Period.

### 7.3 *Termination of interest accrual*

Each Senior Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Senior Note (or the relevant portion thereof) will continue to bear interest in accordance with this Senior Notes Condition (both before and after judgment) at the rate from time to time applicable to such Senior Note until the day on which either all sums due in respect of such Senior Note up to that day are received by the relevant Senior Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Senior Noteholders.

### 7.4 *Calculation of interest*

Interest on the Senior Notes in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

### 7.5 *Class A Rate of Interest*

7.5.1 The rate of interest applicable to the Senior Notes (the "**Class A Rate of Interest**") for each Interest Period, including the Initial Interest Period, shall be the aggregate of Euribor and the Margin.

7.5.2 There shall be no maximum or minimum Class A Rate of Interest.

7.6 *Determination of Class A Rate of Interest and calculation of Class A Interest Payment Amounts*

The Issuer shall on each Determination Date determine or cause the Principal Paying Agent to determine:

- 7.6.1 the Class A Rate of Interest applicable to the Senior Notes for the next Interest Period beginning after such Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);
- 7.6.2 the Euro amount (the “**Class A Interest Payment Amount**”) payable as interest on the Senior Notes in respect of such Interest Period calculated by applying the relevant Class A Rate of Interest to the Principal Amount Outstanding of the Senior Notes on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.7 *Notification of Class A Rate of Interest, Class A Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Determination Date), the Issuer (or the Principal Paying Agent on its behalf) will cause:

- 7.7.1 the Class A Rate of Interest for the Senior Notes for the related Interest Period;
- 7.7.2 the Class A Interest Payment Amount for the Senior Notes for the related Interest Period; and
- 7.7.3 the Payment Date in respect of each such Class A Interest Payment Amount,

to be notified to the Representative of the Noteholders, the Servicer, the Swap Counterparty, the Corporate Servicer, the Calculation Agent, the Additional Calculation Agent and Monte Titoli and will cause the same to be published in accordance with Senior Notes Condition 17 (*Notices*) on or as soon as possible after the relevant Determination Date.

7.8 *Amendments to publications*

The Class A Rate of Interest and the Class A Interest Payment Amount for the Senior Notes and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9 *Determination by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine (or cause to be determined) the Class A Rate of Interest or calculate the Class A Interest Payment Amount for any of the Senior Notes in accordance with Senior Notes Condition 7.6 (*Determination of Class A Rate of Interest and calculation of Class A Interest Payment Amounts*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:



7.9.1 determine (or cause to be determined) the Class A Rate of Interest for the Senior Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

7.9.2 determine (or cause to be determined) the Class A Interest Payment Amount for the Senior Notes in the manner specified in Senior Notes Condition 7.6 (*Determination of Class A Rate of Interest and calculation of Class A Interest Payment Amounts*),

and any such determination shall be deemed to have been made by the Issuer.

7.10 *Notifications to be final*

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Senior Notes Condition 7 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent, the Additional Calculation Agent, the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on all persons.

7.11 *Reference Banks*

The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be three Reference Banks. If any appointed bank is unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place.

7.12 *Unpaid interest with respect to the Senior Notes*

Unpaid interest on the Senior Notes shall accrue no interest.

**8. REDEMPTION, PURCHASE AND CANCELLATION**

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Senior Notes Condition, the Issuer shall redeem the Senior Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Senior Notes in whole or in part prior to the Final Maturity Date except as provided below in Senior Notes Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption in whole for taxation reasons*), but without prejudice to Senior Notes Condition 12 (*Trigger Events*) and Condition 14 (*Enforcement*).

8.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Senior Notes in full on the Final Maturity Date, then the Senior Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Senior Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

## 8.2 *Mandatory Redemption*

On each Payment Date falling on or after the First Amortisation Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the Priority of Payments set out in Senior Notes Condition 6 (*Priority of Payments*), the Issuer will cause:

- 8.2.1 the Senior Notes, to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Senior Notes determined on the related Calculation Date; and
- 8.2.2 the Junior Notes to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Junior Notes determined on the related Calculation Date,

provided that until the Payment Date falling on or after the First Amortisation Payment Date no principal payment shall be paid to any Noteholder and any amounts which would otherwise be applied in or towards redeeming any Notes prior to such date shall be paid to the Principal Accumulation Account as provided in Senior Notes Condition 6 (*Priority of Payments*).

## 8.3 *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem all (but not some only) of the Senior Notes and the Junior Notes (in whole or in part) at their Principal Amount Outstanding, together with interest due and payable thereon, in accordance with the Post Trigger Notice Priority of Payments subject to the following:

- 8.3.1 that the Issuer has given not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders in accordance with Senior Notes Condition 17 (*Notices*) of its intention to redeem the Notes of each Class which are to be redeemed; and
- 8.3.2 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate duly signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will on the relevant Payment Date have the funds, not subject to the interests of any person, required to redeem (a) all the Senior Notes in accordance with this Senior Notes Condition, (b) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Senior Notes, (c) to the extent the Junior Noteholder have not waived their rights in respect of the Junior Notes, all the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and (d) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Junior Notes.

## 8.4 *Optional redemption in whole for taxation reasons*

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem in whole (but not in part) the Senior Notes and, to the extent the Junior Noteholder have not waived

their rights in respect of the Junior Notes, in whole (or in part) the Junior Notes at their Principal Amount Outstanding on any Payment Date:

- 8.4.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction); or
- 8.4.2 after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Master Portfolio to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

- 8.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Senior Notes Condition 17 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and
- 8.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:
  - (a) a certificate duly signed by an authorised representative of the Issuer on its behalf to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Master Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and
  - (b) a certificate duly signed by an authorised representative of the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments.

#### 8.5 *Conclusiveness of certificates and legal opinions*

Any certificate or opinion given by or on behalf of the Issuer pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption in whole for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

#### 8.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

- 8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

- (a) the amount of the Issuer Available Funds;
- (b) the aggregate principal payment (if any) due on the Senior Notes on the next following Payment Date and the Principal Payment Amount (if any) due on each Senior Note; and
- (c) the Principal Amount Outstanding of each of the Senior Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Senior Note).

8.6.2 The principal amount redeemable in respect of each Senior Note (the “**Principal Payment Amount**”) on any Payment Date shall be a *pro rata* share of the principal payment due in respect of such Senior Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of the Senior Notes, in accordance with the relevant Priority of Payments, on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of each Senior Note and the denominator of which is the then Principal Amount Outstanding of all the Senior Notes, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of the relevant Senior Note.

#### 8.7 *Calculation by the Representative of the Noteholders in case of Issuer default*

If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of the Senior Notes, the Principal Payment Amount in respect of the Senior Notes or the Principal Amount Outstanding in relation to the Senior Notes in accordance with this Senior Notes Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Senior Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

#### 8.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to the Senior Notes to be notified immediately after calculation (through the Payments Report or the Trigger Event Report) to the Representative of the Noteholders, the Paying Agents, the Corporate Servicer and the Servicer and, for so long as the Senior Notes are listed on the Official List of the Irish Stock Exchange, the Irish Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to the Senior Notes to be given in accordance with Senior Notes Condition 17 (*Notices*) not later than two Business Days prior to each Payment Date.

#### 8.9 *Notice Irrevocable*

Any such notice as is referred to in Senior Notes Condition 8.3 (*Optional redemption*), Senior Notes Condition 8.4 (*Optional redemption in whole for taxation reasons*) and Senior Notes Condition 8.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption in whole*

*for taxation reasons*), the Issuer shall be bound to redeem the Senior Notes at their Principal Amount Outstanding.

8.10 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.11 *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. **LIMITED RECOURSE AND NON PETITION**

9.1 *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the Security. In particular,

9.1.1 no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security;

9.1.2 no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition 9.1.2 shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer;

9.1.3 until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer unless a Trigger Notice has been served or an Insolvency Event has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, (provided that any such failure shall not

be conclusive *per se* of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholders may then only proceed subject to the provisions of this Conditions and the Rules, provided further that this Condition 9.1.3 shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party; and

- 9.1.4 no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

## 9.2 *Limited recourse obligations of Issuer*

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

- 9.2.1 each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;
- 9.2.2 sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to such sums and *pro rata* with any *pari passu* the sums payable to such Noteholder; and
- 9.2.3 if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Senior Notes Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Master Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

## 10. **PAYMENTS**

### 10.1 *Payments through Monte Titoli*

Payment of principal and interest on the Senior Notes and payment of principal, interest and Variable Return on the Junior Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the

accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

#### 10.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

#### 10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

#### 10.4 *Change of Paying Agent*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other Paying Agents, provided that for as long as the Senior Notes are listed on the Irish Stock Exchange and should the rules of the Irish Stock Exchange so require the Issuer will appoint and maintain a paying agent with a Specified Office in the Republic of Ireland. The Issuer will cause at least 10 (ten) days' prior notice of any change in or addition to the Paying Agents or their Specified Offices to be given in accordance with Senior Notes Condition 17 (*Notices*).

### 11. **TAXATION**

#### 11.1 *Payments free from Tax*

All payments in respect of the Notes will be made free and clear and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders, any Paying Agent or any other person is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

#### 11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agents nor any other person will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

#### 11.3 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Senior Notes Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

#### 11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agents or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

### 12. **TRIGGER EVENTS**

#### 12.1 *Trigger Events*

Each of the following events is a “**Trigger Event**”.

##### 12.1.1 *Non-payment*

The Issuer defaults in the payment of the amount of (A) interest on the Most Senior Class of the Notes and such default is not remedied within a period of five Business Days from the due date thereof and/or (B) principal due and payable on the Most Senior Class of the Notes (to the extent that the Issuer has sufficient Issuer Available Funds available to make such payment in accordance with the applicable Priority of Payment) and such default is not remedied within a period of fifteen Business Days from the due date thereof.

##### 12.1.2 *Breach of other obligations*

The Issuer defaults in the performance or observance of any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of interest on the Most Senior Class of the Notes or principal on the Notes pursuant to (i) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied.

##### 12.1.3 *Insolvency of the Issuer*

An Insolvency Event occurs with respect to the Issuer.

##### 12.1.4 *Unlawfulness*

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

#### 12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Senior Notes Condition 14 (*Enforcement*) the Representative of the Noteholders may in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding, shall, deliver a written notice (a “**Trigger Notice**”) to the Issuer.



### 12.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

- 12.3.1 in the case of the occurrence of any of the events mentioned in Senior Notes Condition 12.1.2 (*Breach of other obligations*) and Senior Notes Condition 12.1.4 (*Unlawfulness*) the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Senior Noteholders; and
- 12.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

### 12.4 *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal and interest on the Senior Notes and payment of principal, interest and Variable Return on the Junior Notes and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Senior Notes Condition 6.3 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

## 13. **PURCHASE TERMINATION EVENTS**

### 13.1 *Purchase Termination Event*

Each of the following events is a “**Purchase Termination Event**”:

#### 13.1.1 *Breach of obligations by the Originator:*

the Originator defaults in the performance or observance of any of its material obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof, to the Issuer and the Originator, declaring that such default is, in its reasonable opinion, materially prejudicial to the interest of the holders of the Senior Notes; or

#### 13.1.2 *Insolvency of the Originator:*

(A) an application is made for the commencement of an *amministrazione straordinaria* or *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings against the Originator in any jurisdiction and such application has not been rejected by the relevant court nor has it been withdrawn by the relevant applicant (unless a legal opinion or other adequate comfort is given to the Representative of the Noteholders confirming that such application is manifestly without grounds or such application is rejected); or

(B) the Originator becomes subject to any *amministrazione straordinaria*, *liquidazione coatta amministrativa* or any other applicable bankruptcy proceedings in any

jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

- (C) the Originator takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors (to the extent such out of court settlements may be materially prejudicial to the interests of the Noteholders) for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment; or

13.1.3 *Winding up of the Originator:*

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

13.1.4 *Termination of Servicer's appointment*

the Issuer has terminated the appointment of UniCredit as Servicer following the occurrence of an event other than those listed above in accordance with the provisions of the Servicing Agreement.

13.2 *Consequences of delivery of Purchase Termination Notice*

If a Purchase Termination Event occurs, then the Representative of the Noteholders:

- 13.2.1 in the case of a Purchase Termination Event under item (ii) above, may in its absolute discretion, or, shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding; and

- 13.2.2 in the case of the other Purchase Termination Events, shall,

deliver a written notice (a "**Purchase Termination Notice**") to the Issuer and the Originator. After the service of a Purchase Termination Notice from the Representative of the Noteholders, the Issuer shall refrain from purchasing any Further Portfolios under the Master Receivables Purchase Agreement.

14. **ENFORCEMENT**

14.1 *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

14.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Senior Notes Condition 14.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor,

provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of the Notes then outstanding unless:

14.2.1 to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

14.2.2 (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

#### 14.3 *Sale of Master Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Master Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding and strictly in accordance with the instructions approved thereby.

### 15. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

#### 15.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

#### 15.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

### 16. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

### 17. **NOTICES**

#### 17.1 *Notices given through Monte Titoli*

Any notice regarding the Senior Notes, as long as the Senior Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

#### 17.2 *Notices in Ireland*

As long as the Senior Notes are listed on the Official List of the Irish Stock Exchange and the rules of such exchange so require, any notice to Senior Noteholders given by or on behalf of the Issuer shall also be published on the website of the Irish Stock Exchange and shall also be considered sent for the purposes of Directive 2004/109/CE. The website of the Irish Stock Exchange does not form part of the information provided for the purposes of this Prospectus. Any such notice shall be deemed to have been given on the date of such publication or, if

published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

### 17.3 *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

## 18. **NOTIFICATIONS TO BE FINAL**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Senior Notes Conditions, whether by the Reference Banks (or any of them), any Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Reference Banks, any Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, any Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

## 19. **GOVERNING LAW AND JURISDICTION**

### 19.1 *Governing Law of Senior Notes*

The Senior Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

### 19.2 *Governing Law of Transaction Documents*

All the Transaction Documents (except for the Swap Agreement and the Deed of Charge) and any non-contractual obligations arising out of or in connection with them are governed by Italian law. The Swap Agreement and the Deed of Charge and any non-contractual obligations arising out of or in connection with them are governed by English law.

### 19.3 *Jurisdiction of courts in relation to the Senior Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes and any non-contractual obligations arising out thereof or in connection therewith.

### 19.4 *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents (except for the Swap Agreement and the Deed of Charge) and any non-contractual obligations arising out thereof or in connection therewith. The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Swap Agreement and the Deed of Charge and any non-contractual obligations arising out thereof or in connection therewith.

## EXHIBIT TO THE TERMS AND CONDITIONS OF THE SENIOR NOTES

### RULES OF THE ORGANISATION OF THE NOTEHOLDERS

#### TITLE I GENERAL PROVISIONS

##### 1. GENERAL

- 1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028 (the “**Class A Notes**”) and the €1,236,943,620 Class B Asset Backed Variable Return Notes due 2028 (the “**Class B Notes**”), issued by Consumer One S.r.l. and is governed by the Rules of the Organisation of the Noteholders set out therein (“**Rules**”).
- 1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.
- 1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

##### 2. DEFINITIONS AND INTERPRETATION

###### 2.1 Definitions

2.1.1 In these Rules, the terms set out below have the following meanings:

“**Basic Terms Modification**” means any proposal:

- (a) to change any date fixed for the payment of principal and interest on the Notes or payment of Variable Return on the Junior Notes;
- (b) to reduce or cancel the amount of principal and interest due on any date on the Notes or payment of Variable Return due on any date on the Junior Notes or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;
- (d) to change the currency in which payments due in respect of any Class of Notes are payable;
- (e) to alter the priority of payments of interest, Variable Return or principal in respect of any of the Notes of any Class;
- (f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;
- (g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or
- (h) a change to this definition.

“**Blocked Notes**” means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting

Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

“**Block Voting Instruction**” means, in relation to a Meeting, a document issued by the Principal Paying Agent:

- (a) certifying that certain specified Notes are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) a specified date which falls after the conclusion of the Meeting; and
  - (ii) the surrender to the Principal Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Noteholders;
- (b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;
- (c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and
- (d) authorising a named individual to vote in accordance with such instructions.

“**Chairman**” means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

“**Condition**” means, as applicable, a condition of the Senior Notes Conditions or of the Junior Notes Conditions.

“**Extraordinary Resolution**” means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

“**Holder**” in respect of a Note means the ultimate owner of such Note.

“**Junior Notes**” means the Class B Notes.

“**Junior Notes Conditions**” means the terms and conditions of the Junior Notes as from time to time modified in accordance with the provisions herein contained and including any other document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

“**Meeting**” means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

“**Monte Titoli**” means Monte Titoli S.p.A.

“**Monte Titoli Account Holder**” means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in

accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

**"Monte Titoli Mandate Agreement"** means the agreement entered between the Issuer and Monte Titoli.

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

**"Ordinary Resolution"** means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

**"Proxy"** means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

- (a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and
- (b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

**"Resolutions"** means Ordinary Resolutions and Extraordinary Resolutions collectively.

**"Senior Notes"** means the Class A Notes.

**"Senior Notes Conditions"** means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed in relation to the Senior Notes accordingly.

**"Specified Office"** means (i) with respect to the Principal Paying Agent (a) the office specified against its name in clause 22.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 17.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payment Agreement and (ii) with respect to any additional or other Paying Agent appointed pursuant to Condition 10.4 (*Change of Paying Agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (*Change of Paying Agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**"Transaction Party"** means any person who is a party to a Transaction Document.

**"Trigger Event"** means any of the events described in Condition 12 (*Trigger Events*) of the Senior Notes Condition or Condition 12.1 (*Trigger Events*) of the Junior Notes Conditions.

**"Trigger Notice"** means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*) of the Senior Notes Condition or Condition 12.2 (*Delivery of Trigger Notice*) of the Junior Notes Conditions.

**"Voter"** means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction.

“**Voting Certificate**” means, in relation to any Meeting:

- (a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or
- (b) a certificate issued by the Principal Paying Agent stating that:
  - (i) Blocked Notes will not be released until the earlier of:
    - (1) a specified date which falls after the conclusion of the Meeting; and
    - (2) the surrender of such certificate to the Principal Paying Agent; and
  - (ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

“**Written Resolution**” means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

“**24 hours**” means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

“**48 hours**” means 2 consecutive periods of 24 hours.

2.1.2 Any reference below to a “Class” of Notes or a “Class” of Noteholders shall be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective ultimate owners thereof.

2.1.3 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Senior Notes Conditions.

## 2.2 Interpretation

2.2.1 Any reference herein to an “**Article**” shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A “**successor**” of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a “**Transaction Party**” in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

## 3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.



## TITLE II

### MEETINGS OF THE NOTEHOLDERS

#### 4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

##### 4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

##### 4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

##### 4.3 Deemed holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Principal Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Principal Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

##### 4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

##### 4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

#### 5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

## **6. CONVENING A MEETING**

### **6.1 Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

### **6.2 Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

### **6.3 Time and place of Meetings**

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

## **7. NOTICE**

### **7.1 Notice of meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders, the Principal Paying Agent and the other Paying Agents, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

### **7.2 Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

### **7.3 Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

## **8. CHAIRMAN OF THE MEETING**

### **8.1 Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

- 8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

## 8.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

## 8.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

## 9. QUORUM

### 9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be at least one Voter holding or representing at least one tenth of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting at least one Voter being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be at least one Voter holding or representing at least two thirds of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, at least one Voter being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be at least one Voter holding or representing at least three quarters of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, at least one Voter being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class.

## 10. ADJOURNMENT FOR WANT OF QUORUM

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

## 11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

## 12. NOTICE FOLLOWING ADJOURNMENT

### 12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

### 12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

## 13. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

## 14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

## 15. **VOTING BY POLL**

### 15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

### 15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

## 16. **VOTES**

### 16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €10 in aggregate face amount of outstanding Notes represented or held by the Voter.

### 16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

### 16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

## 17. **VOTING BY PROXY**

### 17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

### 17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

## 18. ORDINARY RESOLUTIONS

### 18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

- 18.1.1 grant any authority, order or sanction which, under the provisions of the Rules, the Senior Notes Conditions or the Junior Notes Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and
- 18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

### 18.2 Ordinary Resolution of a single Class

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

## 19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Senior Notes Conditions or the Junior Notes Conditions, shall have power exercisable by Extraordinary Resolution to:

- 19.1.1 approve any Basic Terms Modification;
- 19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Senior Notes Conditions, the Junior Notes Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- 19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;
- 19.1.4 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 of the Senior Notes Conditions or Condition 12 of the Junior Notes Conditions;
- 19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Senior Notes Conditions, the Junior Notes Conditions or any other Transaction Document;
- 19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Senior Notes Conditions or the Junior Notes Conditions, must be granted by an Extraordinary Resolution;
- 19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

- 19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;
- 19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;
- 19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

## 19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

## 19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to with such Class would be materially prejudiced by the absence of such sanction.

## 20. **EFFECT OF RESOLUTIONS**

### 20.1 **Binding Nature**

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

### 20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agents (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

## 21. **CHALLENGE TO RESOLUTIONS**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. **MINUTES**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. **WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. **JOINT MEETINGS**

Subject to the provisions of the Rules, the Senior Notes Conditions and the Junior Notes Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. **SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS**

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. **INDIVIDUAL ACTIONS AND REMEDIES**

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) of the Senior Notes Conditions or, as the case may be, Condition 9 (*Limited recourse and non petition*) of the Junior Notes Conditions and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;



- 26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;
  - 26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
  - 26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.
- 26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of the Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article and provided that the noteholders of all other securitisations undertaken by the Issuer, if any, have so resolved in accordance with the relevant transaction documents.

## **27. FURTHER REGULATIONS**

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

### **TITLE III**

#### **THE REPRESENTATIVE OF THE NOTEHOLDERS**

## **28. APPOINTMENT, REMOVAL AND REMUNERATION**

### **28.1 Appointment**

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

### **28.2 Identity of Representative of the Noteholders**

The Representative of the Noteholders shall be:

- 28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- 28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree 13 August 2010 No. 141 as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or
- 28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

### 28.3 **Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of the Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

### 28.4 **After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

### 28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

## 29. **RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

## 30. **DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### 30.1 **Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

### 30.2 **Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

### 30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

### 30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

### 30.5 Consents given by Representative of Noteholders

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

### 30.6 Discretions

Save as expressly otherwise provided herein, the Representative of the Noteholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

### 30.7 Obtaining instructions

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

### 30.8 **Trigger Events and Purchase Termination Event**

The Representative of the Noteholders may certify whether or not a Trigger Event or a Purchase Termination Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

### 30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

## 31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### 31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

### 31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

- 31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event, a Purchase Termination Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event, Purchase Termination Event or such other event, condition or act has occurred;
- 31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

- 31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (a) the nature, status, creditworthiness or solvency of the Issuer;
  - (b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Master Portfolio;
  - (c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Master Portfolio; and
  - (e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Master Portfolio;
- 31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- 31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes by any credit or rating agency or any other person;
- 31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- 31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Master Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Master Portfolio or any part thereof;
- 31.2.12 shall not be responsible for reviewing or investigating any report relating to the Master Portfolio provided by any person;
- 31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Master Portfolio or any part thereof;
- 31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Master Portfolio or any Transaction Document;
- 31.2.15 shall not be under any obligation to insure the Master Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Senior Notes Condition 12.3.1 or Junior Notes Condition 12.3.1 on the basis of an opinion formed by it in good faith.

### 31.3 Specific Permissions

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of the Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

### 31.4 Notes held by Issuer

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

### 31.5 Illegality

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The

Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

## **32. RELIANCE ON INFORMATION**

### **32.1 Advice**

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

### **32.2 Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

### **32.3 Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

### **32.4 Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

### **32.5 Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

### 32.6 Clearing Systems

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

### 32.7 Rating Agencies

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Notes or any Class thereof, the Representative of the Noteholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer.

### 32.8 Certificates of Parties to Transaction Document

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

### 32.9 Auditors

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.



### 33. MODIFICATIONS

#### 33.1 Modification

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

- 33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;
- 33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of the Notes then outstanding; and
- 33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 of the Senior Notes Conditions and Condition 5.11 of the Junior Notes Conditions and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the Holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of the Notes.

#### 33.2 Binding Notice

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

#### 33.3 Modifications requested by the Noteholders

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

### 34. WAIVER

#### 34.1 Waiver of Breach

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its sole opinion the interests of the Holders of the Most Senior Class of the Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

#### 34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

#### 34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of the Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

#### 34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

### 35. **SECURITY DOCUMENTS**

#### 35.1 **The Deed of Pledge**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to in this Article 35 as the "**Secured Noteholders**".

#### 35.2 **Rights of Representative of the Noteholders**

35.2.1 The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Payments Account or to any other account opened in the name of the Issuer and appropriate for such purpose;

35.2.2 The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Accounts or to any other account opened in the name of the Issuer and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal

or application of, cash deriving from time to time from the pledged claims under the Deed of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

36. **INDEMNITY**

Pursuant to the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents.

37. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

**TITLE IV**

**THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE**

38. **POWERS**

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Master Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

**TITLE V**

**GOVERNING LAW AND JURISDICTION**

39. **GOVERNING LAW**

The Rules and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

40. **JURISDICTION**

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

## SELECTED ASPECTS OF ITALIAN LAW

### **The Securitisation Law**

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

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

### **Ring-fencing of the assets**

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company such receivables will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

### **The assignment**

The assignment of the receivables under the Securitisation Law will be governed by article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the Originator, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice in the Official Gazette and, in the case of the debtors, registration in the companies register, so avoiding the need for notification to be served on each debtor.

As of the date of the publication of the notice in the Official Gazette, the assignment becomes enforceable against:

- (a) any creditors of the Originator who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant debts;
- (b) the liquidator or other bankruptcy official of the Originator; and
- (c) other permitted assignees of the Originator who have not perfected their assignment prior to the date of publication.

As of the later of (i) the date of the publication of the notice in the Official Gazette or (ii) the date of registration of the notice in the companies register, the assignment becomes enforceable against:

- (i) the debtors; and
- (ii) the liquidator or other bankruptcy official of such debtors (so that any payments made by a debtor whose debt has been assigned to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law).

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned debts will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette, no legal action may be brought in respect of the debt assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant debts and to meet the costs of the transaction.

Notice of the assignment of the Receivables comprised in the Initial Portfolio pursuant to the Master Receivables Purchase Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 81 of 16 July 2011 and was registered in the companies register of Verona on 25 July 2011.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

### **Consumer credit provisions**

*Consumer credit provisions and enactment of Law Decree 141* - In Italy consumer loans are regulated by, amongst others: (i) articles 121 to 126 of the Consolidated Banking Act and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of law decree 13 August 2010 number 141 (as subsequently amended "**Law Decree 141**") which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Law Decree 141 has become enforceable on 19 September 2010; however, it is doubtful if the new provisions regulating consumer protection legislation have become enforceable on such date or on the date falling 90 days from the issue of the regulations implementing Legislative Decree 141, which have been enacted on 3 February 2011 and 9 February 2011.

*Law Decree 141 and existing credit consumer agreements* - Even if Law Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive and the implementing measures of Law Decree 141, it can be stated that the provisions set by Law Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.

*Scope of application* - Prior to the entry into force of Law Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmio* ("**CICR**") (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Current article 122 of the Consolidated Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.

*Right of withdrawal* - Pursuant to article 125-ter of the Consolidated Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (a) either from the day of the conclusion of the credit agreement, or (b) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-bis of the Consolidated Banking Act, if that day is later than the date referred to under point (a). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-duodecies of the Consumer Code will apply. Pursuant to article 125 quater of the Consolidated Banking Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Law Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

### **The Issuer**

According to the Securitisation Law, the Issuer shall be a *società di capitali*.

### **Attachment of Debtor's credits**

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

### **Accounting treatment of the Receivables**

Pursuant to Bank of Italy's regulations of 29 March 2000 ("**Schemi di bilancio delle società di cartolarizzazione dei crediti**"), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"elenco speciale", degli IMEL delle SGR e delle SIM*) the accounting information relating to the securitisation of the Receivables will be contained in the Issuer's nota integrativa, which, together with the balance sheet and the profit and loss statements form part of the financial statements of Italian companies.

## TAXATION

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the prospective investors' decision to purchase or own the Notes or the noteholders' decision to dispose of same and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are subject to change, potentially retroactively.

Prospective purchasers of Notes should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. This summary will not be updated by the Issuer after the Issue Date to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this summary could become invalid.

Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

### Income tax

Under current legislation, pursuant to the provision of article 6, paragraph 1, of the Securitisation Law and of Decree 239, as amended, payments of interest and other proceeds in respect of the Notes (hereinafter collectively referred to as "**Interest**"):

- (a) will be subject to final substitute tax (*imposta sostitutiva*) at the rate of 12.5 per cent. in Italy if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes holding Notes not in connection with entrepreneurial activity; (ii) Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their only or main purpose; (iv) Italian resident entities exempt from corporate income tax; and (v) non-Italian resident entities or persons without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from the *imposta sostitutiva* and/or do not timely comply with the requirements set forth in Decree 239 and the relevant application rules in order to benefit from the exemption from *imposta sostitutiva* (in each case unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an authorised intermediary and has opted for the *Risparmio Gestito* regime according to article 7 of Legislative Decree number 461 of 21 November 1997 - the "**Asset Management Option**"). As to non-Italian resident beneficial owners, *imposta sostitutiva* may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

The 12.5 per cent. (or, in certain cases, for treaty covered non-Italian resident beneficial owners, the lower rate provided for by the relevant applicable double tax treaty) final *imposta sostitutiva* will be generally applied by the Italian resident qualified financial intermediaries (or



permanent establishments in Italy of foreign intermediaries) that will intervene, in any way, in the collection of Interest on the Notes or in the transfer of the Notes (the “**Intermediaries**” and each an “**Intermediary**”).

In case the Notes are held by Noteholders mentioned above under (i) to (iii) that are engaged in a business activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the income tax due by the Noteholders;

- (b) will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent. if made to investors who are: (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, Italian SICAVs, Italian resident pension funds subject to the regime provided for by article 17, paragraph 2, of Legislative Decree 5 December 2005, No. 252, and Italian resident real estate investment funds; (iii) Italian residents holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option; and (iv) according to Decree 239, non-Italian resident beneficial owners of the Notes or institutional investors, even though not subject to taxation, with no permanent establishment in Italy to which the Notes are effectively connected, provided that:
- (1) such beneficial owners or institutional investors are respectively resident for tax purposes or established in a country included in the list of States which recognise the Italian fiscal authorities’ right to an adequate exchange of information (the “**White List States**”), and
  - (2) all the requirements and procedures set forth in Decree 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met and complied with.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international bodies and organisations established in accordance with international agreements ratified in Italy, and (ii) Central Banks or entities, managing also official State reserves.

To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, investors indicated above sub-paragraph (b) must (i) be the beneficial owners of payments of Interest on the Notes or certain non-Italian resident institutional investors; (ii) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Intermediary or with a non-Italian resident entity participating in a centralised securities management system which is in contact, via telematic link, with the Ministry of Economics; and (iii) in the event of non-Italian resident beneficial owners or institutional investors being holders of the Notes, according to Decree 239, timely file with the relevant depository a self-declaration stating to be resident for tax purposes or established in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information included among the White List States (for non-Italian resident Noteholders who are institutional investors certain additional declarations should also be made). Such self-declaration – which is not requested for international bodies and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities managing also official State reserves – must comply with the requirements set forth by Italian Ministerial Decree of 12 December 2001, is valid until withdrawn or revoked and must not be submitted in case that a certificate,

declaration or other similar document meant for equivalent uses was previously submitted to the same depository.

White List States are currently identified by Ministerial Decree of 4 September 1996, as subsequently amended and supplemented. However, according to the 2008 Budget Law, a decree still to be issued (the “**Decree**”) is proposed to introduce a new “white list” ordered to replace the current one. Once the provisions introduced by the 2008 Budget Law and affecting the regime described above will become effective, non-Italian resident beneficial owners of the Notes or institutional investors, without a permanent establishment in Italy to which the Notes are effectively connected, will not be subject to the 12.5 per cent *imposta sostitutiva* on Interest provided that the non-Italian beneficial owners or institutional investors are respectively resident or established in countries included in the forthcoming Decree. The list of countries included in the above mentioned Decree to be issued will become effective as from the tax period following the one in which the Decree will be enacted. For the 5 years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black-lists set forth by Ministerial Decrees of 4 May 1999, 21 November 2001 and 23 January 2002 nor in the current white list set forth by Ministerial Decree of 4 September 1996 will be deemed to be included in the new white-list.

Italian resident Noteholders holding Notes not in connection with entrepreneurial activity who have entrusted the management of the Notes to an authorized intermediary and have opted for the Asset Management Option are subject to a 12.5 per cent. annual substitutive tax (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include any Interest accrued on the Notes during the holding period). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the “status” of the Noteholders, also in the net value of production for the purposes of regional tax on productive activities - IRAP) of beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporation to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident collective investment funds (which include *fondi comuni di investimento*, SICAVs and so-called Luxembourg investment funds regulated by article 11-*bis* of Law Decree number 512 of 30 September 1983 – collectively, the “**Funds**”) are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund, and thus any Interest accrued on Notes held by the Funds would not be taxable in the hands of the same Funds.

Italian resident pension funds subject to the regime set forth by article 17, paragraph 2, of Legislative Decree 5 December 2005, No. 252 (the “**Pension Funds**”) are subject to a 11 per cent. annual substitutive tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period).

Italian real estate investment funds created under article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and article 14-*bis* of Law No. 86 dated 25 January 1994 (the “**Real Estate Funds**”) are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund and thus any Interest accrued on Notes held by Real Estate Funds would not be taxable in the hands of the same Real Estate Funds.

Where the Notes and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the *imposta sostitutiva* suffered from income taxes due by them.

Without prejudice to the above provisions, in the event that the Notes are redeemed in full or in part prior to eighteen months from the Issue Date, the Issuer of the Notes will be required to pay an additional amount equal to 20 per cent. of interest and other proceeds accrued on the early redeemed Notes up to the time of the early redemption. In accordance with one interpretation of Italian fiscal law, also in the event of purchase of Notes by the Issuer with subsequent cancellation thereof prior to eighteen months from the Issue Date, or at certain other conditions, the Issuer may be required to pay the above 20 per cent. additional amount.

### Capital Gains

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations or similar commercial entities;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree number 461 of 21 November 1997 (“Decree 461”), any capital gain realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* (substitute tax) at the current rate of 12.5 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss of the same nature, realised by Italian resident individual noteholders holding Notes not in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given fiscal year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding the Notes not in connection with entrepreneurial activity may elect to pay 12.5 per cent. *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the “**Risparmio**”).

**Amministrato**” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, società di *intermediazione mobiliare* (SIM) or certain authorised financial intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. Under the *Risparmio Amministrato* regime, the financial intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in capital loss, such loss may be deducted from capital gains of the same kind subsequently realised within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax declaration.

Any capital gains accrued to Italian resident Noteholders holding Notes not in connection with entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration.

Any capital gains accrued to Noteholders who are Italian resident Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund.

Any capital gains accrued to Noteholders who are Italian resident Pension Funds, will be included in the computation of the taxable basis of Pension Fund Tax.

Any capital gains accrued to Noteholders who are Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund.

The 12.5 per cent. final *imposta sostitutiva* on capital gains may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad (including the Irish Stock Exchange) and in certain cases subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are held in Italy but are not listed on a regulated market in Italy or abroad:

- (i) pursuant to the provisions of article 5 of Decree 461, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in Italy on any capital gains realised, upon sale

for consideration or redemption of the Notes, if they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information (included among the White List States, as defined above).

Exemption from Italian *imposta sostitutiva* on capital gains realised upon disposal of Notes not listed on a regulated market also applies to non-Italian residents who are (a) international bodies and organizations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors, even though not subject to income tax or to other similar taxes, established in countries which allow an adequate exchange of information with Italy included among the White List States and (c) Central Banks or other entities, managing also official State reserves.

In such cases, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *Risparmio Amministrato* regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders that are institutional investors;

- (ii) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *Risparmio Amministrato* regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents which include *inter alia* a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-Italian resident noteholders retain the right to waive this regime. Such waiver may also be exercised by non-Italian resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

### **Inheritance and gift tax**

Inheritance and gift tax would be payable in Italy at the following rates on the transfer of the Notes by reason of death or donation, regardless of whether or not the Notes are held outside of Italy, if the deceased person or the donor were either resident or non-resident in Italy for tax purposes at the time of death or gift:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value of the entire inheritance or gift exceeding Euro 1,000,000 (per beneficiary);
- 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to tax on the value of the entire inheritance or gift exceeding Euro 100,000 (per beneficiary);
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;
- 8 per cent in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value of the entire inheritance or gift exceeding Euro 1,500,000.

### **Transfer tax**

The transfer of the Notes is not subject to any transfer tax in Italy. The transfer deed may be subject to Italian registration tax as follows: (i) public deeds and notarized deeds executed in Italy are subject to fixed registration tax at a fixed amount of Euro 168,00; (ii) private deeds are subject to registration tax at a rate of Euro 168,00 due only in case of use or voluntary registration.

### **EU Savings Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers (“**ECOFIN**”) adopted a new directive (Directive 2003/48/EC – the “**Savings Directive**”) regarding the taxation of savings income. The Directive has been in force since 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of each other Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person in favour of, a beneficial owner that is an individual resident in that other Member State; however, Austria and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the Savings Directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries and territories, including Switzerland and certain dependent or associated territories of certain Member States, have adopted similar measures (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, a beneficial owner that is an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Italy has implemented the Savings Directive through Legislative Decree number 84 of 18 April 2005 (“**Decree 84**”). Under Decree 84, subject to a number of conditions being met, in the case of interest (including interest accrued on the Notes at the time of their disposal) paid to individuals that qualify as beneficial owners of the interest and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant international agreement, Italian qualified paying agents (i.e. banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax

authorities details of the relevant payments and personal information on the individual beneficial owners. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are included in business income taxable under general arrangements for business taxation and, in specific cases, UCITS recognised in accordance with Directive 85/611/EEC.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

### **The Senior Notes Subscription Agreement**

UniCredit Bank AG (the “**Sole Lead Manager**”) has, pursuant to the Senior Notes Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders and the Sole Lead Manager, agreed to subscribe and pay the Issuer for the Senior Notes at their Issue Price of 100 per cent of their principal amount.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by the Sole Lead Manager in certain circumstances prior to payment for the Senior Notes to the Issuer. The Issuer and the Originator have agreed to indemnify the Sole Lead Manager against certain liabilities in connection with the issue of the Senior Notes.

### **The Junior Notes Subscription Agreement**

UniCredit has, pursuant to the Junior Notes Subscription Agreement dated on or about the Issue Date between UniCredit, the Representative of the Noteholders and the Issuer, agreed to subscribe and pay the Issuer for the Junior Notes at the Issue Price of 100 per cent of their principal amounts upon issue of the Junior Notes.

### **The Junior Notes Conditions**

Except for Junior Notes Conditions 3.1 (*Denomination*), 7 (*Variable Return*) and 8.12 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the terms and conditions of the Junior Notes are the same, *mutatis mutandis*, as the Senior Notes Conditions.

Under the Senior Notes Conditions and the Junior Notes Conditions the obligations of the Issuer to make payment in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

## **SELLING RESTRICTIONS**

Each of the Issuer and the Sole Lead Manager has, pursuant to the Senior Notes Subscription Agreement, undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distribute this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer and the Sole Lead Manager has, pursuant to the Senior Notes Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes save as contained in this Prospectus or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

### **General**

Persons into whose hands this Prospectus comes are required by the Issuer and the Sole Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which



they purchase, offer, sell or deliver the Senior Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Senior Notes, in all cases at their own expense.

### **United States of America**

The Senior Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Senior Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Sole Lead Manager has agreed that it will not offer, sell or deliver the Senior Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the offering of the Senior Notes, within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Senior Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Senior Notes within the United States or to, or for the account or benefit of, any U.S. person.

In addition, until 40 days after the commencement of the offering of the Senior Notes, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

The Sole Lead Manager has, pursuant to the Senior Notes Subscription Agreement, represented, warranted and undertaken to the Issuer and each of the other that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **Italy**

The Sole Lead Manager has, pursuant to the Senior Notes Subscription Agreement, represented, warranted and undertaken to the Issuer that they have not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and have not made and will not make available in the Republic of Italy any Notes, copy of this Prospectus nor any other offering material relating to the Notes other than to “qualified investors” (“*investitori qualificati*”) as referred to in article 100 of the Financial Laws Consolidation Act and article 34-ter, paragraph 1, letter (b) of the CONSOB regulation No. 11971 of 14 May 1999 (as amended and integrated from time to time,

“CONSOB Regulation”) or in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Laws Consolidation Act and article 34-ter of the CONSOB Regulation.

Any offer of the Notes to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act, Consob Regulation, the Consolidated Banking Act and any other applicable laws and regulations.

#### *General*

The Sole Lead Manager has, pursuant to the Senior Notes Subscription Agreement acknowledged that (i) no action has or will be taken by them which would allow an offering (nor a “*offerta al pubblico di prodotti finanziari*”) of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; (ii) the Notes may not be offered, sold or delivered by them and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by them to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by them in accordance with Italian securities, tax and other applicable laws and regulations; and (iii) no application has been made by them to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

## GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 6 July 2011.
- (2) Application has been made to list the Senior Notes on the Official List of the Irish Stock Exchange and to trading on the Regulated Market. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request.
- (3) The Issuer is not (and was not in the 12 months preceding the date of this Prospectus) involved in any governmental, litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Notes and which may have, or have had, during such 12 months' period, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.
- (4) Save as disclosed in this Prospectus, there has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2010 (being the date of the most recent audited financial information of the Issuer) that is material in the context of the issue of the Notes.
- (5) Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
- (6) The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.
- (7) The Senior Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

<i>Senior Notes</i>	<i>ISIN code</i>
Class A Notes	IT0004752116
- (8) As long as the Senior Notes are listed on the Official List of the Irish Stock Exchange, physical copies of the following documents may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent at any time after the date of this Prospectus:
  - (i) the *statuto* and *atto costitutivo* of the Issuer;

- (ii) the following agreements:
- Master Receivables Purchase Agreement;
  - Servicing Agreement;
  - Warranty and Indemnity Agreement;
  - Intercreditor Agreement;
  - Cash Allocation, Management and Payments Agreement;
  - Deed of Pledge;
  - Mandate Agreement;
  - Quotaholder's Agreement;
  - Corporate Services Agreement;
  - Deed of Charge;
  - Monte Titoli Mandate Agreement;
  - Master Definitions Agreement; and
  - Swap Agreement.
- (iii) the financial statements of the Issuer as at 31 December 2010 and the auditors' reports.
- (9) So long as any of the Senior Notes remains outstanding, copies of the Payments Reports and of the Investors Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders, respectively, on each Calculation Date and on each date on which it is produced. The first Payments Report will be available at the registered office of the Issuer and the Representative of the Noteholders on or about the Calculation Date falling in November 2011. The Payments Reports will be produced quarterly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Senior Note.
- (10) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €260,000 (excluding servicing fees and any VAT, if applicable).
- (11) The total expenses payable in connection with the admission of the Senior Notes to trading on the Regulated Market, for an amount of Euro 4,940, will be borne by the Originator.

## GLOSSARY

*These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.*

**“Account Bank”** means UniCredit S.p.A., or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**“Account Bank Report”** means the report to be prepared and delivered, from time to time, by the Account Bank to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Additional Calculation Agent and the Calculation Agent, pursuant to Cash Allocation, Management and Payments Agreement.

**“Accounts”** means, collectively, the Principal Accumulation Account, the Collection Account, the General Account, the Payments Account, the Expenses Account, the Cash Reserve Account, the Set-Off Reserve Account, the Renegotiation Reserve Account, the Securities Account, the Cash Collateral Account and the Securities Collateral Account and **“Account”** means any of them.

**“Accrued Interest”** means, on any date and in relation to each Receivable, the portion of Interest Instalments accrued on such date but not yet due.

**“Additional Calculation Agent”** means Capital and Funding Solutions S.r.l., or any other person for the time being acting as Additional Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Additional Criteria”** means the further objective criteria which may from time to time supplement the Specific Criteria and the Common Criteria pursuant to the terms and subject to the conditions provided for in the Master Receivables Purchase Agreement.

**“Adjustment Purchase Price”** means, in relation to any Receivable erroneously excluded from a Portfolio pursuant to clause 4.1.1(b) of the Master Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3.2 of the Master Receivables Purchase Agreement.

**“Arising Date”** the date on which any Future Receivable will arise.

**“Arrears Ratio”** means, on any date, the ratio between the Outstanding Principal of the Receivables classified as Delinquent Receivables and the Outstanding Principal of the Receivables of the Master Portfolio.

**“Article 122a”** means article 122a of the CRD as amended from time to time.

**“Auto Loans”** means Loans disbursed to Debtors for the purpose of the purchase by the Debtor of a vehicle.

**“Auto Loans’ Maximum Amount”** means 20% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Auto Loans’ Minimum Amount”** means 0% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Back-up Servicer”** has the meaning ascribed to such term under clause 9.1 of the Servicing Agreement.

**“Balloon Receivables”** means Receivables deriving from amortising Loans to be reimbursed in several instalments and that provide the payment of a so called “balloon last instalment”, the amount of which may be different from the amounts of other instalments.

**“Balloon Receivables Maximum Amount”** means 5% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Banking Loans”** means Loans which have been originated by the Originator’s banking channel.

**“Banking Loans’ Maximum Amount”** means 100% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Banking Loans’ Minimum Amount”** means 70% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Bankruptcy Law”** means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

**“Business Day”** means any day on which banks are generally open for business in Milan and London and on which TARGET2 is open.

**“Calculation Agent”** means UniCredit Bank AG, London Branch, or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Calculation Date”** means the date falling on the 5<sup>th</sup> Business Day prior to the Payment Date.

**“Cash Allocation, Management and Payments Agreement”** means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicer, the Account Bank, the Cash Manager, the Swap Counterparty, the Principal Paying Agent, the Custodian Bank, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Cash Collateral Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT91U0200809422000101585677), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Cash Manager”** means UniCredit S.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

**“Cash Reserve”** means the reserve created on the Cash Reserve Account on the Issue Date in an initial amount of Euro 420,000,000, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

**“Cash Reserve Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT64G0200809422000101537819), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Cash Reserve Amount”** means, at any time, the aggregate of the balance of the amounts standing to the credit of the Cash Reserve Account, net of any interest accrued and paid thereon.

**“Cash Reserve Available Amount”** means, in respect of any Calculation Date:

- (i) prior to the full redemption of the Senior Notes, the amount to be drawn from the Cash Reserve Account equal to:
  - (A) the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount and amounts available under items *First* and *Ninth* of the Principal Priority of Payments on the Payment Date immediately following such Calculation Date) available to pay items from *First* to *Sixth* of the Interest Priority of Payments and the amounts due under items from *First* to *Sixth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date; and
  - (B) if amounts are to be drawn from the Cash Reserve Account under paragraph (A) above, the amounts necessary to pay items *Seventh* and *Eighth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date up to an amount as will leave the balance of the Cash Reserve Account equal to 20% of the Initial Cash Reserve Amount; or
  - (C) if no amounts are to be drawn from the Cash Reserve Account under paragraph (A) above, the lower of (i) the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount and amounts available under items *First* and *Ninth* of the Principal Priority of Payments on the Payment Date immediately following such Calculation Date) available to pay items *First* to *Eighth* of the Interest Priority of Payments and the amounts due under items from *First* to *Eighth* of the Interest Priority of Payments on the Payment Date immediately following such Calculation Date, and (ii) such an amount as will leave the balance of the Cash Reserve Account equal to 20% of the Initial Cash Reserve Amount,

provided that, in each case, should the Cash Reserve Amount on the relevant Calculation Date be lower than either of the amounts specified in paragraphs (A) and (B) above, the Cash Reserve Available Amount on such Calculation Date shall be the then available Cash Reserve Amount; and

- (ii) on the Payment Date on which the Senior Notes are redeemed in full, or following the delivery of a Trigger Notice or on the Final Maturity Date, then available Cash Reserve Amount.

**“Cash Reserve Required Amount”** means:

- (i) on the Issue Date and on any Payment Date, falling prior to the delivery of a Trigger Notice, prior to the full redemption of the Senior Notes, the Initial Cash Reserve Amount;
- (ii) starting from the Payment Date on which the Senior Notes are redeemed in full, or following the delivery of a Trigger Notice or on the Final Maturity Date, 0 (zero).

**“Cash Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Cash Reserve Subordinated Loan Provider.

“**Cash Reserve Subordinated Loan**” means, from time to time, the loan disbursed by the Cash Reserve Subordinated Loan Provider under the Cash Reserve Subordinated Loan Agreement and not repaid by the Issuer.

“**Cash Reserve Subordinated Loan Provider**” means UniCredit S.p.A.

“**Central Regions**” means Abruzzo, Lazio, Marche, Molise, Toscana, Umbria.

“**Central Regions Loans’ Maximum Amount**” means 100% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

“**Central Regions Loans’ Minimum Amount**” means 15% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

“**Class**” shall be a reference to a class of Notes being the Class A Notes or the Class B Notes and “**Classes**” shall be construed accordingly.

“**Class A Notes**” means the €2,956,200,000 Class A Asset Backed Floating Rate Notes due 2028 issued by the Issuer on the Issue Date.

“**Class A Interest Payment Amount**” has the meaning ascribed to that term in Senior Notes Condition 7.6.2.

“**Class A Rate of Interest**” has the meaning given to it under Senior Notes Condition 7.5.1.

“**Class B Notes**” means €1,236,943,620 Class B Asset Backed Variable Return Notes due 2028 issued by the Issuer on the Issue Date.

“**Class B Interest Payment Amount**” has the meaning ascribed to that term in Junior Notes Condition 7.6.2.

“**Class B Rate of Interest**” has the meaning given to it under Junior Notes Condition 7.5.1.

“**Clean Up Option Date**” means the Payment Date falling on or immediately after the expiry of the Initial Period.

“**Clearstream**” means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

“**Collateral Accounts**” means, together, the Cash Collateral Account and the Securities Collateral Account.

“**Collateral Portfolio**” means the aggregate of the principal amount outstanding of the Receivables comprised in the Master Portfolio and not classified by the Servicer as Defaulted Receivables

“**Collection Account**” means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT04Y0200809422000101358417), or such substitute account as may be opened in accordance with the Servicing Agreement.

“**Collection Date**” means (a) prior to the delivery of a Trigger Notice, the last calendar day of January, April, July and October of each year, and (b) following the delivery of a Trigger Notice any date as determined by the Representative of the Noteholders in compliance with the Calculation Date definition.



“**Collection Policy**” means the procedures for the collection and recovery of Receivables attached as annex 1 to the Servicing Agreement.

“**Collections**” means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables, including the Recovery Amounts and the prepayments.

“**Commingling Reserve Account**” means the cash account which may be opened in accordance with clause 4.4 of the Servicing Agreement.

“**Commingling Reserve Securities Account**” means the securities account which may be opened in accordance with clause 4.4 of the Servicing Agreement.

“**Common Criteria**” means the objective criteria for the identification of the Receivables specified in Annex 1 to the Master Receivables Purchase Agreement and which shall apply to select each of the Receivables for the Initial Portfolio and any Further Portfolio.

“**Conditions**” means, together, the Senior Notes Conditions and the Junior Notes Conditions and “**Condition**” means a condition of either of them.

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

“**Consecutive Payment Dates**” means 2 consecutive Payment Dates.

“**Consolidated Banking Act**” means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

“**Corporate Servicer**” means UniCredit Credit Management Bank S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

“**Corporate Services Agreement**” means the corporate services agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

“**CRD**” means the so-called capital requirements directive, being and expression making reference to Directive 2006/48/EC and Directive 2006/49/EC).

“**CRD II**” means the Directive 2009/111/EC adopted on 16 September 2009 by the European Parliament and the European Council amending the CRD.

“**Credit Policy**” means the procedures for the granting of the Loans attached as annex 6 to the Master Receivables Purchase Agreement.

“**Credito ad Incaglio**” means each Receivable related to a Loan Agreement classified by the Servicer as “*credito ad incaglio*” pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) following the relevant Valuation Date and/or Arising Date.

“**Credito in Sofferenza**” means each Receivable related to a Loan Agreement classified by the Servicer as “*credito in sofferenza*” pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) following the relevant Valuation Date and/or Arising Date.

**“Credito non in Bonis”** means, collectively, the Defaulted Receivables, the *Crediti in Sofferenza*, the *Crediti ad Incaglio* and the *“Crediti Morosi”*.

**“Criteria”** means the Common Criteria and the Specific Criteria and, in relation to any Further Portfolio, the Additional Criteria.

**“Cumulative Default Ratio”** means, on any date, the ratio between the Outstanding Principal of the Receivables transferred to the Issuer and classified as Defaulted Receivables and the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date, where the Outstanding Principal of the Receivables classified as Defaulted Receivables is calculated as of the relevant date of classification as Defaulted Receivables.

**“Custodian Bank”** means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Custodian Bank pursuant to the Cash Allocation, Management and Payments Agreement.

**“Custodian Bank Report”** means the report to be prepared and delivered, from time to time, by the Custodian Bank to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Additional Calculation Agent and the Calculation Agent, pursuant to Cash Allocation, Management and Payments Agreement.

**“DBRS”** means DBRS Ratings Limited. A capitalised term otherwise defined in this Prospectus and prefixed by **“DBRS”** refers to such term for the purposes of DBRS. References to a rating by DBRS refer to the relevant public rating maintained by DBRS provided that in cases where DBRS does not maintain a public rating such references shall be to the internal assessment of such rating by DBRS Financial Institutions Group (or such successor group or entity selected by DBRS).

**“Debtor”** means any individual person who entered into a Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Loan or who has assumed the original Debtor’s obligation under an *accollo*, or otherwise.

**“Decree 239”** means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

**“Decree 239 Deduction”** means any withholding or deduction for or on account of *“imposta sostitutiva”* under Decree 239.

**“Deed of Charge”** means the English law deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting as trustee for the Noteholders and for the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Deed of Pledge”** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Custodian Bank and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Defaulted Receivables”** means any Receivable arising from a Loan Agreement which has been classified by the Servicer as a *Credito in Sofferenza* or in relation to which there are at least 8 Unpaid Instalments.

**“Delinquent Receivable”** means any Receivable, other than a Defaulted Receivable with respect to which there is at least one Unpaid Instalments.

**“Determination Date”** means, in relation to the Notes:

- (i) with respect to the Initial Interest Period, the date falling two Target2 Days prior to the Issue Date; and
- (ii) with respect to each subsequent Interest Period, the date falling two Target2 Days prior to the Payment Date at the beginning of such Interest Period.

**“Direct Debit Loans’ Maximum Amount”** means 100% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Direct Debit Loans’ Minimum Amount”** means 70% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Eligible Institution”** means any depository institution organised under the laws of any state which is a member of the European Union or of the United States of America whose short-term, unsecured and unsubordinated debt obligations are rated at least (or whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner satisfactory to the Rating Agency, by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America, whose short-term, unsecured and unsubordinated debt obligations are rated at least) “P-1” by Moody’s and at least “A” (middle) by DBRS.

**“Eligible Investment”** means:

- (A) euro-denominated senior (unsubordinated) debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes, or
- (B) repurchase transactions, to the extent that title to the securities underlying such repurchase transactions (in the period comprised between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, between the Issuer and UniCredit S.p.A. (to the extent that and for so long as UniCredit S.p.A. is an Eligible Institution) in respect of euro-denominated debt securities or other debt instruments but excluding for the avoidance of doubt credit linked notes,

provided that, in all cases: (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) and (iii) the debt securities or other debt instruments, or in the case of repurchase transactions, the debt securities or other debt instruments underlying the repurchase transactions, are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

- (X) with respect to Moody’s ratings, either: (i) “A2” by Moody’s in respect of long-term debt or “P-1” by Moody’s in respect of short-term debt, with regard to investments having a maturity of

less than or equal to one month; or (ii) "A1" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time; and

- (Y) with respect to DBRS ratings, either: (i) "R-1(low)" by DBRS in respect of short-term debt and "A" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than or equal to one month; or (ii) "R-1(middle)" by DBRS in respect of short-term debt and "AA (low)" in respect of long-term debt, with regard to investments having a maturity of less than or equal to three months; or (iii) otherwise which has the following ratings from at least 2 of the following rating agencies: (a) at least "F1" and "A" by Fitch; (b) at least "A-1" and "A" by Standard & Poor's; (c) at least "P-1" and "A2" by Moody's,

provided that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**"Eligible Investments Maturity Date"** means the date falling on the 2<sup>nd</sup> Business Day prior to each Calculation Date.

**"EU Insolvency Regulation"** means the Council Regulation (EC) No. 1346/2000 of 29 May 2000.

**"Euribor"** means:

- (a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on Bloomberg page EUR003M index in the menu MMCV1 (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 4 month deposits in Euro will be substituted); or
- (b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or
- (c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or
- (d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the “**Screen Rate**” or, in the case of the Initial Interest Period, the “**Additional Screen Rate**”) at or about 11:00 a.m. (Brussels time) on the Determination Date; and

- (e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:
  - (i) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or
  - (ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

“**Euro**”, “**cents**” and “**€**” refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

“**Euroclear**” means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

“**European Economic Area**” means the area comprising the 27 Member States and Iceland, Liechtenstein, and Norway.

“**Euro-Zone**” means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

“**Expenses**” means:

- (i) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and
- (ii) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer’s Rights.

**“Expenses Account”** means the Euro denominated account established in the name of the Issuer with UniCredit S.p.A. (IBAN: IT35F0200809422000101539142).

**“Extraordinary Resolution”** shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

**“Final Maturity Date”** means the Payment Date falling in November 2028.

**“Financial Laws Consolidation Act”** means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

**“First Amortisation Payment Date”** means the Payment Date falling immediately after the later of (i) the expiry of the Initial Period and (ii) the expiry of the Revolving Period.

**“First Payment Date”** means the Payment Date falling in November 2011.

**“FSMA”** means the Financial Services and Markets Act 2000.

**“Further Portfolio”** means any portfolio of Receivables (other than the Initial Portfolio) purchased by the Issuer from the Originator from time to time pursuant to the terms and conditions of the Master Receivables Purchase Agreement.

**“Further Portfolio Conditions”** means the conditions set out in clause 8.1 of the Master Receivables Purchase Agreement.

**“General Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT34A0200809422000101538800), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Holder”** or **“holder”** means the ultimate owner of a Note.

**“Individual Purchase Price”** means, in respect of each Receivable, the aggregate of (i) the Principal Component of the Purchase Price in relation to the relevant Receivables and (ii) the Other Component of the Purchase Price in relation to the relevant Receivables.

**“Initial Cash Reserve Amount”** means, as at the Issue Date, euro 420,000,000.

**“Initial Interest Period”** means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**“Initial Outstanding Principal”** means the principal amount outstanding in relation to each Receivable in accordance with the relevant Loan Agreement as at the relevant Valuation Date or Arising Date (net of any principal payment made until the relevant Valuation Date or Arising Date (included)).

**“Initial Period”** means the period starting from the Issue Date and ending on the first Payment Date falling after 18 months following the Issue Date.

**“Initial Portfolio”** means the portfolio of Receivables purchased on 8 July 2011 by the Issuer pursuant to the terms and conditions of the Master Receivables Purchase Agreement.

**“Initial Renegotiation Reserve Amount”** means, as at the Issue Date, euro 5,000,000.

**“Initial Set-Off Exposure”** means, on any Offer Date and with reference to all the Receivables comprised in the Master Portfolio (including any Further Portfolio to be purchase on the immediately following Transfer Date) the aggregate of the amounts which can be off-set by the Debtors against the amounts owed to it by the Originator, as calculated in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

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

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, *“fallimento”*, *“liquidazione coatta amministrativa”*, *“concordato preventivo”*, and *“amministrazione straordinaria”*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or
- (e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**“Instalment”** means, with respect to each Loan Agreement, each instalment due from the relevant Debtor which consists of an Interest Instalment and a Principal Instalment.

**“Insurance Policy”** means, with respect to certain Receivables, the insurance policies stipulated by the Originator covering certain risks associated with the relevant Debtor.

**“Intercreditor Agreement”** means the intercreditor agreement entered into on or about the Issue Date between, *inter alios*, the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Interest Available Funds”** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account, excluding any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (ii) without duplication of (i) above, an amount equal to the interest, yield and profit components invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (iii) all Recoveries (including, for avoidance of doubt, principal and interest components) collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;
- (iv) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;
- (v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (including any proceeds deriving from the enforcement of the Issuer’s Rights);
- (vi) any payment to be received from the Swap Counterparty on or immediately prior to such Payment Date, pursuant to the Swap Agreement, except for any Swap Collateral Excluded Amounts;
- (vii) the Cash Reserve Available Amount (if any) on the Calculation Date immediately preceding such Payment Date;
- (viii) the Interest Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the interest portion of the Renegotiated Blocked Amount relating to the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period;
- (ix) the Interest Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date;



- (x) any amount equal to any interest, yield and profit component accrued on or generated by any Eligible Investments (if any) up to the Eligible Investments Maturity Date immediately preceding such Payment Date;
- (xi) any amount allocated on such Payment Date under items *First* and *Ninth* of the Principal Priority of Payments prior to the delivery of a Trigger Notice.

**“Interest Instalment”** means the interest component of each Instalment.

**“Interest Period”** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**“Interest Priority of Payments”** means the Priority of Payments under Condition 6.1 (*Priority of Payments - Interest Priority of Payments prior to the delivery of a Trigger Notice*).

**“Interest Renegotiation Loss”** means, in relation to each Receivable subject to a renegotiation (a) with reference to any renegotiation made by the Servicer resulting in a payment holiday of the Interest Instalment of the relevant Loan, an amount of each Interest Instalments so suspended; and (b) with reference to any renegotiation made by the Servicer resulting in amending the rate applicable to the relevant Loan: (i) in case of fixed rate, the amount equal to (a) the difference (if positive) between the fixed interest rate applicable prior the relevant renegotiation and the new fixed interest rate, multiplied by (b) the Outstanding Principal Amount of the Receivable renegotiated, and (c) the residual life of the Receivable; and (ii) in case of floating rate, the amount equal to (a) the difference (if positive) between the margin applicable over the relevant index prior the relevant renegotiation and the new margin, multiplied by (b) the Outstanding Principal Amount of the Receivable renegotiated and (c) the residual life of the Receivable.

**“Interest Set-Off Loss”** means, with respect to any Loan in relation to which the relevant Debtor has exercised its right of set-off against the Originator, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement, the interest portion of the amount not paid by the relevant Debtor following the exercise of its right of set-off against the Originator.

**“Investors Report”** means the report to be prepared from time to time by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

**“Issue Date”** means 1 August 2011, or such other date on which the Notes are issued.

**“Issue Price”** means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

**“Issuer”** means Consumer One S.r.l., a *società a responsabilità limitata* with sole quotaholder incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10.000,00 fully paid up, having its registered office is at Piazzetta Monte, 1, 37121, Verona, Italy, fiscal code and enrolment in the companies’ register of Verona number 04362530265 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

**“Issuer Available Funds”** means the aggregate of the Interest Available Funds and the Principal Available Funds.

**“Issuer Cash Collateral”** means, on each Calculation Date in respect of the immediately following Payment Date, the difference (if positive) between (i) the Principal Available Funds on such Payment Date, and (ii) the aggregate of (A) the Principal Component of the Purchase Price to be paid on such Payment Date, if any, and (B) any amounts due and payable in priority thereto, in accordance with the applicable Priority of Payments.

**“Issuer’s Rights”** means the Issuer’s rights under the Transaction Documents.

**“Joint Regulation”** means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008, as amended and supplemented from time to time.

**“Junior Noteholders”** means the holders, from time to time, of the Junior Notes.

**“Junior Notes”** means the Class B Notes.

**“Junior Notes Conditions”** means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

**“Junior Notes Retained Amount”** means an amount equal to 10% of the Principal Amount Outstanding of the Junior Notes upon issue.

**“Junior Notes Subscription Agreement”** means the subscription agreement in relation to the Junior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Liabilities”** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

**“Limited Recourse Loan”** means the limited recourse loan to be granted by the Originator subject to and in accordance with clause 5.5.1 of the Warranty and Indemnity Agreement.

**“Listing Agent”** means BNP Paribas Securities Services, Luxembourg branch.

**“Loan”** means each personal loan granted by UniCredit S.p.A. to a Debtor whose Receivables has been assigned in accordance with the Master Receivables Purchase Agreement and/or the relevant Purchase Agreement.

**“Loan Agreement”** means each agreement from which a Receivable arises entered into between UniCredit and a Debtor on the basis of the general terms and conditions prepared by UniCredit according to which UniCredit has granted a loan to a Debtor against the payment of the Instalments.

**“Mandate Agreement”** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Margin”** means: (i) with respect to the Class A Notes 1.25% per annum; and (ii) with respect to the Class B Notes 5.00% per annum.

**“Master Definitions Agreement”** means the master definitions agreement entered into on or about the Issue Date between the parties to each of the Transaction Documents (other than Monte Titoli), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Master Portfolio”** means collectively, the Initial Portfolio and the Further Portfolios.

**“Master Portfolio’s Arrears Ratio”** means 5% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Master Portfolio’s Cumulative Default Ratio”** means 3% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Master Receivables Purchase Agreement”** means the receivables purchase agreement entered into on 8 July 2011 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Maximum Balance of the Principal Accumulation Account”** means an amount equal to 10% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Maximum Indemnity Amount”** means Euro 20,000,000.

**“Maximum Residual Life”** means 48 months.

**“Maximum Set-Off Exposure Amount”** means Euro 260,000,000.

**“Member State”** means each state that is party to treaties of the European Union (EU).

**“Minimum Weighted Average Excess Spread”** means 5%.

**“Monte Titoli”** means Monte Titoli S.p.A., a joint stock company having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

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

**“Monte Titoli Mandate Agreement”** means the agreement entered into between the Issuer and Monte Titoli.

**“Moody’s”** means Moody’s Investors Service.

**“Most Senior Class of the Notes”** means (i) the Senior Notes, and (ii) following the full repayment of all the Senior Notes, the Junior Notes.

**“Northern Regions”** means Emilia Romagna, Friuli Venezia Giulia, Liguria, Lombardia, Piemonte, Trentino Alto Adige, Valle d’Aosta, Veneto.

**“Northern Regions Loans’ Maximum Amount”** means 100% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Northern Regions Loans’ Minimum Amount”** means 35% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Noteholders”** means, together, the Senior Noteholders and the Junior Noteholders.

**“Notes”** means, together, the Senior Notes and the Junior Notes.

**“Notice”** means any notice delivered under or in connection with any Transaction Document.

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

**“Offer Date”** means the date falling at least 5 Business Days prior to each Payment Date, on which the Originator may deliver to the Issuer an Offer Letter in order to assign a Further Portfolio in accordance with the Master Receivables Purchase Agreement.

**“Offer Letter”** means a letter in the form and substance of annex 5 of the Master Receivables Purchase Agreement to be delivered in accordance with the Master Receivables Purchase Agreement.

**“Official Gazette”** means the *Gazzetta Ufficiale della Repubblica Italiana*.

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

**“Originator”** means UniCredit S.p.A.

**“Other Component of the Purchase Price”** means:

- (i) in relation to the Existing Receivables, the sum of the Accrued Interest of the relevant Existing Receivables and any other amount due and not paid by the relevant Debtor as the relevant Valuation Date (included); and
- (ii) in relation to the Future Receivables, any amount due and not paid by the relevant Debtor as the relevant Arising Date (included).

**“Other Issuer Creditors”** means the Originator, the Servicer, the Account Bank, the Cash Manager, the Swap Counterparty, the Principal Paying Agent, the Custodian Bank, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer, the Cash Reserve Subordinated Loan Provider, the Renegotiation Reserve Subordinated Loan Provider, the Set-Off Reserve Subordinated Loan Provider and the Representative of the Noteholders and any party who at any time accedes to the Intercreditor Agreement.

**“Outstanding Principal”** means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments which shall be paid on each following Scheduled Instalment Due Date and the Principal Instalments due but unpaid on such date.

**“Outstanding Principal Not Yet Due”** means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments which shall be paid on each following Scheduled Instalment Due Date.

**“Paying Agents”** means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the Cash Allocation, Management and Payments Agreement.

**“Payment Date”** means (a) prior to the delivery of a Trigger Notice, the last calendar day of February, May, August and November in each year or, if such day is not a Business Day, the immediately preceding Business Day, and (b) following the delivery of a Trigger Notice, any Business Day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions, the Intercreditor Agreement and in compliance with the Calculation Date definition.

**“Payments Account”** means the Euro denominated account established in the name of the Issuer with the Principal Paying Agent with (IBAN: IT31M0347901600000800880200), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Payments Report”** means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

**“Personal Loans”** means Loan granted to Debtors who have not specified in the relevant Loan Agreement any specific purpose for the granting thereof.

**“Personal Loans’ Maximum Amount”** means 100% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Personal Loans’ Minimum Amount”** means 70% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Portfolio”** means the Initial Portfolio or a Further Portfolio, as applicable.

**“Post Trigger Notice Priority of Payments”** means the Priority of Payments set out in Condition 6.3 (*Post Trigger Notice Priority of Payments*).

**“Principal Accumulation Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank with (IBAN: IT45I0200809422000101537529), or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Principal Amount Outstanding”** means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

**“Principal Available Funds”** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate of:

- (i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account;

- (ii) without duplication of (i) above, an amount equal to the principal components (including any amount not accounted for in item (ii) of the definition of Interest Available Funds) invested in Eligible Investments (if any) during the immediately preceding Quarterly Collection Period from the Collection Account, following liquidation thereof on the immediately preceding Eligible Investments Maturity Date;
- (iii) all amounts received by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and credited to the Collection Account during the immediately preceding Quarterly Collection Period;
- (iv) any amounts received by the Issuer from the Originator (A) pursuant to the Warranty and Indemnity Agreement during the Quarterly Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties and (B) in respect of indemnities or damages relating to principal or interest components on any Receivables which are not Defaulted Receivables;
- (v) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Eight* of the Interest Priority of Payments;
- (vi) all the proceeds deriving from the sale, if any, of the Master Portfolio or of individual Receivables or following the exercise of the pre-emption right, in each case in accordance with the provisions of the Transaction Documents;
- (vii) any amount set aside in the Payments Account on the immediately preceding Payment Date in accordance with clause 3.3 of the Master Receivables Purchase Agreement and not paid nor payable to the Originator upon the occurrence of the events specified in clauses 3.3.3 or 9.3.2 of the Master Receivables Purchase Agreement;
- (viii) any amount transferred from the Commingling Reserve Account (if opened) to the General Account during the immediately preceding Quarterly Collection Period in accordance with the provisions of the Transaction Documents;
- (ix) on each Payment Date falling prior to the First Amortisation Payment Date and on the First Amortisation Payment Date, the Issuer Cash Collateral standing to the credit of the Principal Accumulation Account;
- (x) the Principal Renegotiation Losses (if any) on the Calculation Date immediately preceding such Payment Date and the principal portion of the Renegotiated Blocked Amount relating to the Receivables which have become Defaulted Receivables during the immediately preceding Quarterly Collection Period;
- (xi) the Principal Set-Off Losses (if any) on the Calculation Date immediately preceding such Payment Date; and
- (xii) any amount allocated on such Payment Date under item *Seventh* of the Interest Priority of Payments;
- (xiii) following the delivery of a Trigger Notice, the amounts standing to the credit of the Expenses Account upon its closure in accordance with the Cash Allocation, Management and Payments Agreement;

(xiv) on the Payment Date on which the Senior Notes are redeemed in full, any amounts standing to the credit of the Set-Off Reserve Account and the Renegotiation Reserve Account.

**“Principal Component of the Purchase Price”** means, in relation to each Receivables, the Initial Outstanding Principal of each such Receivables.

**“Principal Deficiency Ledger”** means the ledger established and maintained by the Computation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Principal Instalment”** means the principal component of each Instalment.

**“Principal Paying Agent”** means BNP Paribas Securities Services, Milan branch or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**“Principal Paying Agent Report”** means the report to be prepared and delivered, from time to time, by the Principal Paying Agent to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Additional Calculation Agent and the Calculation Agent, pursuant to Cash Allocation, Management and Payments Agreement.

**“Principal Payment Amount”** shall have the meaning ascribed to it in Condition 8.6.2 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

**“Principal Priority of Payments”** means the Priority of Payments under Condition 6.2 (*Priority of Payments - Principal Priority of Payments prior to the delivery of a Trigger Notice*).

**“Principal Renegotiation Loss”** means with reference to any renegotiation made by the Servicer resulting in a payment holiday of the Principal Instalment of the relevant Loan, an amount of each Principal Instalments so suspended.

**“Principal Set-Off Loss”** means, with respect to any Loan in relation to which the relevant Debtor has exercised its right of set-off against the Originator, to the extent that the Originator has not indemnified the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement, the principal portion of the amount not paid by the relevant Debtor following the exercise of its right of set-off against the Originator.

**“Priority of Payments”** means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Junior Notes Conditions and the Intercreditor Agreement.

**“Privacy Law”** means Legislative Decree number 196 of 30 June 2003 and, to the extent applicable, Law number 675 of 31 December 1996, inclusive of any regulations for the implementation thereof, as supplemented by any regulations as the Italian Privacy Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) may issue from time to time.

**“Prospectus”** means this prospectus.

**“Prospectus Directive”** means Directive 2003/71/EC, as amended and supplemented from time to time.

**“Purchase Agreements”** means each purchase agreement executed by the Issuer and the Originator in connection with the purchase of each Further Portfolio in accordance with the provisions of the Master Receivables Purchase Agreement.

**“Purchase Price”** means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio and each Further Portfolio, as the case may be.

**“Purchase Termination Event”** means any of the events referred to in Condition 13 and clause 9 of the Master Receivables Purchase Agreement.

**“Purchase Termination Notice”** shall have the meaning ascribed to it in Condition 13.

**“Purpose Loans”** means Loan granted to Debtors for the purchase of a specific good (other than Auto Loans) or service.

**“Purpose Loans’ Maximum Amount”** means 10% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Purpose Loans’ Minimum Amount”** means 0% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Quarterly Collection Period”** means:

- (a) prior to the service of a Trigger Notice, each period of three months commencing on (and excluding) a Collection Date and ending on (and including) the next Collection Date;
- (b) following the service of a Trigger Notice, each period commencing on (but excluding) a Collection Date and ending on (and including) the next following Collection Date as determined by the Representative of the Noteholders; and
- (c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Valuation Date of the Initial Portfolio and ending on (and including) the Collection Date falling on October 2011.

**“Quarterly Servicer’s Report Date”** means (a) prior the delivery of a Trigger Notice the date falling on the twelfth Business Day prior to any Payment Date and (b) following the delivery of a Trigger Notice any date determined by the Representative of the Noteholders in compliance with the Calculation Date definition.

**“Quarterly Servicer’s Report”** means the report to be delivered on each Quarterly Servicer’s Report Date by the Servicer to the Issuer, the Account Bank, the Principal Paying Agent, the Calculation Agent, the Additional Calculation Agent, the Corporate Servicer, the Representative of the Noteholders and the Rating Agencies pursuant to the Servicing Agreement.

**“Quotaholder”** means SVM Securitisation Vehicles Management S.r.l.

**“Quotaholder’s Agreement”** means the agreement entered into on or about the Issue Date between the Quotaholder, the Issuer, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Rating Agencies”** means DBRS and Moody’s.



“**Receivables**” means any and all existing and future claim deriving from the Loans and the Loan Agreements including, without limitation:

- (i) amounts due on account of principal and interest accrued (and not yet paid), in relation to the Receivables as at the relevant Valuation Date (included);
- (ii) amount on account of principal not yet due and interest (including default interest) accruing on the Receivables starting from the relevant Valuation Date (excluded);
- (iii) amounts due as at the relevant Valuation Date (included) and accruing from the relevant Valuation Date (excluded) on account of reimbursement of losses, indemnities and damages, fees, prepayment penalties and other amounts due in case of prepayment of the Loans, as well as any other amount received by or payable to the Originator as indemnity payment due to the Debtor of the Originator under the Insurance Policies, with express inclusions of recovery expenses in relation to defaulted receivables, expenses in connection with the payment of instalments (*spese incasso rata*) as well as any other expense relating to the management of the Receivables (including, without limitation, expenses relating to the delivery of account statements and/or other notices to the Debtors) (together with the amounts under items (i) and (ii) above, the “**Existing Receivables**”);
- (iv) amounts owed for outstanding principal and interest (including default interest) which will accrue in relation to further disbursement (where envisaged therein) under the relevant Loan Agreement starting from the relevant Arising Date (included) as well as the other amounts, if any, due under a Loan following the extension or renewal of an Insurance Policy (the “**Future Receivables**”),

together with all and any guarantee transferable together with the Receivables, including the guarantees (excluding the so called *garanzie omnibus*) deriving from any security arrangement, granted or in any other way existing in favour of the Originator in relation to a Loan, a Loan Agreement or a Receivable.

“**Recoveries**” means any amounts received or recovered in relation to any *Credito non in Bonis*.

“**Recovery Amounts**” means the amounts recovered by the Servicer under Defaulted Receivables or Delinquent Receivables.

“**Reference Bank**” means each of Barclays Bank PLC, Lloyds TSB Bank plc and Deutsche Bank AG and “**Reference Banks**” means all of them, or, if any such bank is unable or unwilling to continue to act as such, any other bank as appointed by the Issuer with the prior consent of the Representative of the Noteholders.

“**Regulated Market**” means the Irish Stock Exchange’s main regulated market.

“**Renegotiation Blocked Amount**” means the aggregate of the sum of all the Interest Renegotiation Losses and the Principal Renegotiation Losses in relation to a Receivable which has been renegotiated and has not subsequently been classified as Defaulted Receivables or has become subject to a prepayment in full by the relevant Debtor.

“**Renegotiation Reserve**” means the reserve created on the Renegotiation Reserve Account on the Issue Date in an amount equal to the Initial Renegotiation Reserve Amount, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

**“Renegotiation Reserve Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT83D0200809422000101538522), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Renegotiation Reserve Available Amount”** means, in respect of any Calculation Date, the difference between (A) the balance of the Renegotiation Reserve Account and (B) the Renegotiation Blocked Amount.

**“Renegotiation Reserve Required Amount”** means:

- (i) on the Issue Date, the Initial Renegotiation Reserve Amount;
- (ii) prior to the delivery of a Trigger Notice an amount equal to the aggregate of the Interest Renegotiation Losses and the Principal Renegotiation Losses which will arise following the renegotiation of the Receivables;

on the Payment Date on which the Senior Notes are redeemed in full or following the delivery of a Trigger Notice, or on the Final Maturity Date, 0 (zero).

**“Renegotiation Reserve Subordinated Loan”** means Euro 5,000,000.

**“Renegotiation Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Renegotiation Reserve Subordinated Loan Provider.

**“Renegotiation Reserve Subordinated Loan Provider”** means UniCredit S.p.A.

**“Representative of the Noteholders”** means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders in accordance with the Conditions.

**“Retention Amount”** means an amount equal to Euro 50,000, provided that on the Payment Date on which the Notes have been repaid in full, the Retention Amount will be the amount indicated by the Corporate Servicer in order to pay the Issuer’s expenses following the repayment in full of the Notes.

**“Revolving Period”** means the period starting from the Issue Date and ending on the earlier of (i) the first Payment Date falling after 24 months following the Issue Date; (ii) the date on which a Purchase Termination Notice or Trigger Notice has been served pursuant to, respectively, Condition 13 (*Purchase Termination Events*) or Condition 12 (*Trigger Events*); and (iii) the date on which a notice has been served pursuant to, respectively, Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*).

**“Rules of the Organisation of the Noteholders”** or **“Rules”** means the rules of the organisation of the Noteholders attached as an Exhibit to the Senior Notes Conditions and the Junior Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Scheduled Instalment Due Date”** means any date on which an Instalment is due pursuant to a Loan Agreement.

**“Securities Act”** means the U.S. Securities Act of 1933, as amended.

**“Securitisation”** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

**“Securitisation Law”** means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

**“Securities Account”** means the securities account established in the name of the Issuer with the Custodian Bank under number 880200, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Securities Collateral Account”** means the securities account established in the name of the Issuer with the Account Bank under number 9204/40348149, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Security”** means the security created pursuant to the Deed of Pledge and the Deed of Charge.

**“Security Interest”** means:

- (a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement having a similar effect.

**“Senior Noteholders”** means the holders, from time to time, of the Senior Notes.

**“Senior Notes”** means the Class A Notes.

**“Senior Notes Conditions”** means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

**“Senior Notes Subscription Agreement”** means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Sole Lead Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Servicer”** means UniCredit S.p.A., or any other person acting for the time being acting as Servicer pursuant to the Servicing Agreement.

**“Servicing Agreement”** means the agreement entered into on 8 July 2011 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Servicing Fee”** means the servicing fee as determined in accordance with clause 11 of the Servicing Agreement.

**“Set-Off Exposure”** means, on any Offer Date and with reference to all the Receivables comprised in the Master Portfolio (including any Further Portfolio to be purchased on the immediately following

Transfer Date) the aggregate of the amounts which can be off-set by the Debtors against the amounts owed to it by the Originator, as calculated in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, which is in excess of the amount determined, from time to time, by the Bank of Italy in accordance with article 96-*bis*, paragraph 5, of the Consolidated Banking Act.

**“Set-Off Reserve”** means the reserve to be created on the Set-Off Reserve Account, to be applied in accordance with the provisions of Cash Allocation, Management and Payments Agreement.

**“Set-Off Reserve Account”** means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT85J0200809422000101538627), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Set-Off Reserve Excess Amount”** means, on any Payment Date after the end of the Revolving Period, an amount equal to the difference, if positive, between (i) any amount standing to the credit of the Set-Off Reserve Account (net of any Interest Set-Off Loss and Principal Set-Off Loss to be used as Interest Available Funds or Principal Available Funds, as applicable, on the immediately following Payment Date); and (ii) the Set-Off Reserve Required Amount on such Payment Date.

**“Set-Off Reserve Required Amount”** means:

- (i) on any Offer Date falling prior to the delivery of a Trigger Notice:
  - (A) if the unsecured and unsubordinated short term rating of the Originator is equal to or higher than “P-1” by Moody’s or the long unsecured and unsubordinated term rating of the Originator is equal to or higher than “A2” by Moody’s or “A (middle)” by DBRS, an amount equal to zero;
  - (B) if the condition (A) above is not met and the unsecured and unsubordinated short term rating of the Originator is higher than or equal to “P-2” by Moody’s and the unsecured and unsubordinated long term rating of the Originator is higher than or equal to “A3” by Moody’s or “A (low)” by DBRS, an amount equal to 50% of the then applicable Set-Off Exposure;
  - (C) if the conditions (A) and (B) above are not met and the unsecured and unsubordinated short term rating of the Originator is higher than or equal to “P-3” by Moody’s and the long unsecured and unsubordinated term rating of the Originator is higher than or equal to “Baa1” by Moody’s or “BBB (high)” by DBRS, an amount equal to 100% of the then applicable Set-Off Exposure;
  - (D) if the unsecured and unsubordinated short term rating of the Originator is lower than “P-3” by Moody’s and the long unsecured and unsubordinated term rating of the Originator is lower than “Baa1” by Moody’s or “BBB (high)” by DBRS, an amount equal to 100% of the Initial Set-Off Exposure;
- (ii) on the Payment Date on which the Senior Notes are redeemed in full or following the delivery of a Trigger Notice, or on the Final Maturity Date, 0 (zero).

**“Set-Off Reserve Subordinated Loan”** means, from time to time, the loan disbursed by the Set-Off Reserve Subordinated Loan Provider under the Set-Off Reserve Subordinated Loan Agreement and not repaid by the Issuer.

**“Set-Off Reserve Subordinated Loan Agreement”** means the loan agreement entered into on or about the Issue Date between the Issuer and the Set-Off Reserve Subordinated Loan Provider.

**“Set-Off Reserve Subordinated Loan Provider”** means UniCredit S.p.A.

**“Sole Affected Party”** means an Affected Party as defined in the Swap Agreement which at the relevant time is the only Affected Party under the Swap Agreement.

**“Sole Arranger”** means UniCredit Bank AG, London branch.

**“Sole Lead Manager”** means UniCredit Bank AG, Milan Branch.

**“Southern Regions”** means Basilicata, Campania, Puglia, Sardegna, Sicilia.

**“Southern Regions Loans’ Maximum Amount”** means 40% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Southern Regions Loans’ Minimum Amount”** means 0% of the Outstanding Principal of the Receivables of the Initial Portfolio as at the relevant Valuation Date.

**“Specific Criteria”** means the objective criteria for the identification of the Receivables specified in annex 2 to the Master Receivables Purchase Agreement, which supplement the Common Criteria.

**“Specified Office”** means with respect to the Principal Paying Agent, Via Ansperto, 5, 20123 Milan, Italy, or, with respect to any additional or other Paying Agent appointed pursuant to the Senior Notes Condition 10.4 (*Change of Paying Agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with the Senior Notes Condition 10.4 (*Change of Paying Agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**“Subscription Agreements”** means, together, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**“Swap Agreement”** means the hedging agreements entered into on or about the Issue Date between the Issuer and the Swap Counterparty in the form of an International Swaps and Derivatives Association, Inc. (“ISDA”) 1992 Master Agreement (*Multicurrency – Cross Border*) dated on or about the Issue Date, together with the schedule and credit support annex thereto and the related confirmations, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**“Swap Collateral”** means all moneys and securities standing at any point in time to the credit of the Collateral Accounts.

**“Swap Collateral Excluded Amounts”** means, at any time, the amount of Swap Collateral which may not be applied under the terms of the Swap Agreement and the Intercreditor Agreement at that time in satisfaction of the Swap Counterparty’s obligations to the Issuer, including Swap Collateral which is to be returned to the Swap Counterparty from time to time in accordance with the terms of the Swap Agreement and the Intercreditor Agreement.

**“Swap Counterparty”** means UniCredit S.p.A. or any other person acting as Swap Counterparty.

**“TARGET System”** means the TARGET2 system.

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**“Target2 Day”** means any day on which the TARGET2 is open.

**“Tax”** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political subdivision thereof or any authority thereof or therein.

**“Tax Deduction”** means any deduction or withholding on account of Tax.

**“Transaction Documents”** means, together, the Master Definitions Agreement, the Master Receivables Purchase Agreement, each Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation Management and Payments Agreement, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Intercreditor Agreement, the Quotaholder’s Agreement, the Corporate Services Agreement, the Deed of Pledge, the Deed of Charge, the Mandate Agreement, the Conditions, this Prospectus, the Monte Titoli Mandate Agreement, the Cash Reserve Subordinated Loan Agreement, the Renegotiation Reserve Subordinated Loan Agreement, the Set-Off Reserve Subordinated Loan Agreement and any other document which may entered into, from time to time in connection with the Securitisation.

**“Transfer Date”** means, in relation to the Initial Portfolio, 8 July 2011 and in relation to any Further Portfolio the date on which the Originator receives from the Issuer the acceptance to the Offer Letter in accordance with the Master Receivables Purchase Agreement.

**“Trigger Event”** means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

**“Trigger Event Report”** means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**“Trigger Notice”** means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

**“Unpaid Instalment”** means an Instalment which, on any date, is due but not paid in full for at least 30 days from the date the payment was due in accordance with the relevant Loan Agreement.

**“Usury Law”** means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

**“Valuation Date”** means, with respect to the Initial Portfolio, the 00:01 of 1 July 2011, and with respect to any Further Portfolio, the date on which any such Further Portfolio is being selected on the basis of the Criteria.

**“Variable Return”** means the amount, which may be payable on the Junior Notes on each Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Issuer Available

Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

“**VAT**” means *Imposta sul Valore Aggiunto (IVA)* as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time.

“**Warranty and Indemnity Agreement**” means the agreement entered into on 8 July 2011 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

“**Weighted Average Excess Spread**” means the weighted average over the Outstanding Principal Not Yet Due of (A) the Weighted Average Excess Spread for Fixed Interest Rate Receivables and (B) the Weighted Average Excess Spread for Floating Interest Rate Receivables.

“**Weighted Average Excess Spread for Fixed Interest Rate Receivables**” means with respect to the Receivables paying a fixed interest rate, the weighted average over the Outstanding Principal Not Yet Due of, the difference between (a) the interest rate accruing on each Receivable, and (b) the relevant fixed interest rate payable under the Swap Agreement.

“**Weighted Average Excess Spread for Floating Interest Rate Receivables**” means with respect to the Receivables paying a floating interest rate, the weighted average over the Outstanding Principal Not Yet Due of, the margin over the relevant index.

**ANNEX 1**

**AUDITED FINANCIAL STATEMENTS OF THE ISSUER AS AT 31 DECEMBER 2010**

**MANACOR FINANCE S.R.L.**

**SINGLE-MEMBER COMPANY**

**2010 ANNUAL REPORT**



**MANACOR FINANCE S.R.L.**  
**SINGLE-MEMBER COMPANY**

Registered office: Via V. Alfieri n.1 - 31015 Conegliano (TV)  
Registered in the Register of Companies of Treviso under number 04362530265  
Registration no., Taxpayer I.D. and V.A.T. Code 04362530265  
Quota Capital: €10,000, fully paid-up  
Registered under no. 41966 in the General List of Financial Intermediaries pursuant to Article 106 of Legislative Decree no. 385 of 9/1/1993

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# DIRECTOR'S REPORT

Dear Shareholder,

I hereby submit for your approval the Annual Report for the year ended December 31, 2010 comprising the Balance Sheet, Income Statement and Notes to the Financial Statements, accompanied by a Report on Operations. The foregoing Financial Statements are for the Company's first operating year. By way of reminder, the Company was formed on February 19, 2010, pursuant to Law 130 of 30 April 1999 which, as is well known, in Italy governs the execution of securitisation transactions.

The Company requested and obtained on February 28, 2011 registration in the General Roster of Financial Intermediaries under number 41966 as provided for in Art. 106, paragraph 1 of Legislative Decree 385 of September 1, 1993, and subsequent amendments (Consolidated Banking Act).

As you shall see, the Financial Statements show a loss of €1,491 and resulting equity of €10,509.

## 1. Operating Activities

In accordance with the bylaws and the provisions of the aforementioned law, the exclusive purpose of the Company is the execution of one or more loan securitisation transactions pursuant to Law 130 of 30 April 1999, through the acquisition for consideration of existing or future pecuniary loans, either by the Company or by another company formed pursuant to Law 130/99, financed through the issuance (by the Company or by another company formed pursuant to Law 130/99) of securities as referred to in Article 1, paragraph 1, b) of Law 130/1999. In accordance with the provisions of the aforementioned law, loans relative to any securitisation transaction constitute for all purposes assets separate from those of the Company and from those relative to other transactions; no action may be taken by any creditors other than by holders of the securities issued to finance the purchase of the aforementioned loans. To the extent allowed by Law 130/1999, the Company may execute accessory transactions as needed for the proper completion of the securitisation transactions carried out thereby or in any way necessary for achieving the corporate purpose, as well as reinvestment transactions involving other financial assets related to funds generated from the management of loans purchased and not immediately employed for payments on the aforementioned securities.

As at December 31, 2010, the Company had not completed any securitisation transaction.

## 2. Performance of the reference market in 2010

In 2010, the Italian economy continued to experience the effects of the international financial crisis that started in 2007 following the US sub-prime mortgage crisis. The international markets, including the Eurozone, and the real economy remained clouded in uncertainties slowing down the outlook for an already timid recovery.

## 3. Significant Events during the Year

No relevant, significant events occurred in 2010.

#### **4. Result of Operations**

Since the Company is in its start-up phase, there is no additional information to be disclosed other than what can be inferred from the Notes to Financial Statements.

#### **5. Subsequent events**

The Company requested and obtained on February 28, 2011 registration in the General Roster of Financial Intermediaries as provided for in Art. 106, paragraph 1 of Legislative Decree 385 of September 1, 1993, and subsequent amendments (Consolidated Banking Act).

There are no significant events to be noted.

#### **6. Outlook**

The Company operations are directed at executing one or more securitisation transactions in accordance with Law 130 of April 30, 1999.

#### **7. Going Concern**

During the preparation of the Financial Statements, an assessment was conducted as to whether the Company will be able to continue in existence as a going concern for at least twelve months after the relevant balance-sheet date. All the available information and the specific activity carried out by the Company, whose exclusive purpose – in accordance with Law 130 of April 30, 1999 – is the execution of one or more securitisation transactions, were taken into account when conducting said assessment. Considering that the Company intends to start a securitisation transaction in 2011, the Financial Statements herein were prepared on the assumption that the business will continue in operation, since there are no factors that may raise doubts as to the Company's ability to continue in existence as a going concern.

#### **8. Other Information**

##### **A) Own Shares**

The Company does not hold, directly or through Trust Companies, own shares or shares of the Controlling Companies.

##### **B) Research and Development Activities**

Given the specific nature of the Company, no research and development activities are conducted.

##### **C) Related Party Transactions and intra-group transactions**

No controlling or controlled companies are posted under creditors/debtors.

##### **D) Management and Coordination Activities**

The Company is not subject to management and coordination activities exercised by controlling companies pursuant to Art. 2497 *bis* of the Civil Code.

##### **E) Risks and Related Risk Management Policies**

###### *Liquidity risk*

The Company considers that it has sufficient liquid assets to meet its financial obligations.

###### *Interest-rate risk*

The Company does not have financial assets and liabilities exposing it to significant interest-rate risks.

###### *Currency Risk*

The Company operates only in the domestic market and therefore has no exposure to currency risk.

*Credit Risk*

Given the nature of its assets, the Company considers that it is not subject to credit risk.

**F) Policy Document on Security**

The Company has assessed its compliance with respect to privacy and concluded that it is not required to prepare a policy document on security: in any event, in relation to such data, the Company has assigned the responsibility for each individual processing of such information to the various outsourcers in charge thereof, who have ensured that all data are processed in compliance with the requirements set forth in the Privacy Code.

**Plan for use of the financial results**

Dear Shareholder,

I propose to carry forward the loss for the year in the amount of €1,490.87. The amount of the loss is below the limits referred to in Article 2.482-bis of the Civil Code. Such loss is likely to be offset against future years' profits.

Conegliano, April 6, 2011

**Manacor Finance S.r.l.**  
Single-Member Company  
Sole Director  
Luigi Bussi

**FINANCIAL STATEMENTS**  
**AT DECEMBER 31, 2010**

**STATEMENT OF FINANCIAL POSITION**

(in €)

<b>ASSETS</b>	<b>Year from 02/19/2010 to 12/31/2010</b>
20. Loans to Credit Institutions	<b>9,047</b>
a) Demand loans	9,047
90. Intangible fixed assets of which: Start-up costs	<b>2,035</b> 2,035
130. Other assets	<b>573</b>
<b>TOTAL ASSETS</b>	<b>11,655</b>

<b>LIABILITIES AND QUOTAHOLDERS' EQUITY</b>	<b>Year from 02/19/2010 to 12/31/2010</b>
50. Other liabilities	<b>527</b>
60. Accrued liabilities	<b>619</b>
a) Accrued expenses	619
120. Quota capital	<b>10,000</b>
130. Share premium	<b>2,000</b>
170. Profit (loss) for the year	<b>(1,491)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,655</b>

## INCOME STATEMENT

(in €)

<b>EXPENSES</b>	<b>Year from 02/19/2010 to 12/31/2010</b>
20. Fees paid	<b>190</b>
40. Administrative expenses	<b>1,893</b>
b) Other administrative expenses	1,893
130. Income tax for the year	<b>(566)</b>
<b>TOTAL</b>	<b>1,517</b>

<b>REVENUES</b>	<b>Year from 02/19/2010 to 12/31/2010</b>
10. Interest income and similar revenues	<b>26</b>
100 Loss for the year	<b>1,491</b>
<b>TOTAL</b>	<b>1,517</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

### **Operating Activities**

The Company, which was formed on February 19, 2010 pursuant to Law 130/99, operates exclusively in the area of loan securitisation and has as its exclusive purpose the execution of one or more loan securitisation transactions pursuant to Law 130 of April 30, 1999.

The Company requested and obtained on February 28, 2011 registration in the General Roster of Financial Intermediaries as provided for in Art. 106, paragraph 1 of Legislative Decree 385 of September 1, 1993, and subsequent amendments (Consolidated Banking Act).

### **Form and Content of the Annual Report**

The criteria adopted at the time of the preparation of the Annual Report for the year ended December 31, 2010 are in compliance with Legislative Decree 87 of 01/27/1992 and the provisions set forth in the Bank of Italy's Resolutions of 07/31/1992 and 03/29//2000. The Financial Statements are comprised of the following:

- Statement of Financial Position;
- Income Statement;
- Notes to Financial Statements,

and an accompanying Report on Operations.

The amounts are expressed in euros and, for a better assessment of the information contained in the Notes to the Financial Statements, additional information regarding the major line items is provided when deemed appropriate.

The accounting policies used are in line with the requirements set forth in Legislative Decree 87/92, without derogating from the stipulations therein. Said criteria are based on the general principles of prudence, going concern and the accrual principle, with reference to the accounting principle in effect.

Since this is the Company's first year in operation, the Annual Report are not presented for comparative purposes with data from any prior year: The reference period is from 02/19/2010, the date of formation of the Company to 12/31//2010, the reference date of the Financial Statements herein.

The Notes to Financial Statements herein are divided into the following parts:

- Part A – Accounting policies
- Part B – Notes to statement of financial position
- Part C –Notes to the income statement
- Part D – Other Information

### **Securitisation Transactions**

As at December 31, 2010, the Company had not completed any securitisation transaction.

## **PART A – ACCOUNTING POLICIES**

### ***Explanation of the Accounting Policies***

The provisions of Legislative Decree 87/92 and the instructions of the Bank of Italy referred to in the Governor's Resolution of July 31, 1992 (regarding Financial Statements of financial companies) and of March 29 2000, incorporating, as needed, the provisions of the Civil Code and other provisions of the law, were followed in the preparation of the Annual Report at December 31, 2010.

The Annual Report for the year ended December 31, 2010 were therefore prepared in compliance with the general principles listed below:

- Consistency of methods;
- Substance over form;
- Prudence;
- Accrual principle;
- Separate entity and permanence of methods;
- Going concern.

### **Loans to Credit Institutions**

Loans to Credit Institutions are posted to Financial Statements at face value, expressing their estimated realisable value.

### **Intangible fixed assets**

Intangible fixed assets, including start-up costs, are posted to Financial Statements at acquisition cost; no impairment loss has been recorded, pending the start of the transaction.

### **Other Assets and Liabilities**

The other assets and liabilities are presented at estimated realisable value, corresponding to their face value.

### **Accruals**

The criteria used to measure accruals refer to the concept of allocation of expenses and revenues from several years to a relevant year. Accruals function as adjusting/correcting entries to the profit and loss account items and are needed for compliance with the accrual principle, and whence for matching the costs incurred with the resulting revenue.

### **Expenses and Revenues**

Expenses and revenues are posted to the Annual Report in compliance with the principles of accrual and prudence.



## **Prepaid and Deferred Taxes**

Prepaid and deferred taxes are recognised to reflect future tax gains and/or losses resulting from the temporary differences between the book value of the assets and liabilities posted to Financial Statements and the corresponding amounts used to measure current taxes, as well as any tax loss carryforwards.

Credits for prepaid taxes are posted to Financial Statements in accordance with the prudence principle if there is reasonable certainty that there shall be taxable income of at least the amount of the differences to be offset in the years in which the deductible temporary differences which had led to the recording of prepaid taxes will be reversed. Conversely, debits for deferred taxes are not posted when the probability that the corresponding liabilities may occur is low.

Deferred and prepaid taxes are measured based on the income tax rates for the years in which the temporary differences will be offset.

The effect of the change in tax rates on the aforementioned taxes is recognised in the year in which the legal measures related thereto are approved.

## PART B – NOTES TO THE STATEMENT OF FINANCIAL POSITION

### Section 1 – Assets

#### Loans to Credit Institutions (Item 20)

As at December 31, 2010, this item totalled €9,047.

The amount comprises the current credit balance of the current Financial Statements with a credit institution; these are cash demand loans.

#### Intangible Fixed Assets (Item 90)

As at December 31, 2010, this item totalled €2,035.

This item includes the Company's start-up costs, on which no impairment loss was recorded.

#### Other Assets (Item 130)

As at December 31, 2010, this item totalled €573 and included:

	At 12/31/2010
Tax receivables	7
Prepaid tax credits	566
<b>Total carrying value</b>	<b>573</b>

"Tax Receivables" comprise advance withholding on interest income accrued on the current account. The "Prepaid Tax Credits" item refers to the allocation of prepaid taxes calculated on the basis of the 27.50% corporate income tax (IRES) on tax losses for the year.

## Section 2 – Liabilities and Shareholders' Equity

### Other Liabilities (Item 50)

As at December 31, 2010, this item totalled €527 and included:

	At 12/31/2010
Suppliers w/invoices to be received	257
Suppliers	270
<b>Total carrying value</b>	<b>527</b>

The "Suppliers w/invoices to be received" item refers to invoices to be received for services rendered for which, as at the balance-sheet date, the corresponding tax document due from the supplier had not yet been received.

The "Suppliers" item refers to liabilities arising during the year that will occur financially in the following year.

### Accrued Liabilities (Item 60)

As at December 31, 2010, this item totalled €619.

This item includes accrued liabilities due to costs spread over two years, measured on the basis of the accrual principle in application of the principle of matching of costs to revenues for the year; in particular, these accruals originate in the administrative/corporate management costs contractually calculated on an annualised basis and maturing at December 31, 2010, for which the supplier will issue an invoice in the following year.

### Quota Capital (Item 120)

As at December 31, 2010, the Quota Capital totalled €10,000. It is fully paid-up and breaks down as follows:

Shareholders	Ownership interest	Face value
SVM Securitisation Vehicles Management S.r.l.	100%	10,000

For more details regarding the changes in shareholders' equity, please refer to the statement provided at the end of this section.

### Share Premium (Item 130)

As at December 31, 2010, this item totalled €2,000.

This item includes the share premium at the time the Company was formed.

### Profit (Loss) for the Year (Item 170)

As at December 31, 2010, the loss for the year totalled €1,491 and included:

	<b>At 12/31/2010</b>
Expenses and losses for the year	(2,083)
Gains and profits for the year	26
Result for the year before tax	(2,057)
Prepaid taxes for the year	566
<b>Profit (loss) for the year</b>	<b>(1,491)</b>

### Statement of Changes in Shareholders' Equity

	Capital	Share premium	Legal reserve	Other reserves	Profit (loss) for the previous year	Profit (loss) for the year	
Total Shareholders' Equity at 19/02/2010	10,000	2,000	0	0	0	0	12
Profit (loss) for 2010	0	0	0	0	0	(1,491)	(1)
<b>Total Shareholders' Equity at 31/12/2010</b>	<b>10,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,491)</b>	<b>10</b>

## Statement of the sources, availability and distributability of Shareholders' Equity items

	Amount at 12/31/2010	Usefulness	Available	Uses in the three previous years	
				to cover losses	for other reasons
<b>Quota Capital</b>	<b>10,000</b>				
<b>Capital reserves</b>	<b>2,000</b>				
Share premium	2,000	A,B,C	0		
Shareholder's contribution to capital	0	B			
<b>Reserves from profits</b>	<b>0</b>				
Legal reserve	0	B	0		
Profit (loss) carried forward	0		0		
<b>Total</b>	<b>12,000</b>		<b>0</b>	<b>0</b>	<b>0</b>
Non-distributable share			0		
Residual distributable share			0		

### Legend

A: capital increases

B: loss cover

C: distribution to shareholders

## PART C – NOTES TO THE INCOME STATEMENT

### Section 1 – Expenses

Fees Paid (Item 20)

As at December 31, 2010, Fees Paid totalled €190 and included the current bank account management fees.

### Administrative Expenses (Item 40)

As at December 31, 2010, Administrative Expenses totalled €1,893 and included the inherent corporate management fees.

Said fees include:

	At 12/31/2010
Postal expenses	2
Government concession tax	310
Consultancy	5
Civil-law notary expenses	300
Other direct and indirect taxes	540
Preparation of accounting data	619
Revenue stamps	117
<b>Total administrative expenses</b>	<b>1,893</b>

### Income Taxes for the Year (Item 130)

Taxes for 2010 totalled €(566).

Those include in their entirety prepaid taxes calculated based on the 27.5% IRES tax rate applied to the tax loss for the year.

The potential tax gain, related to the tax loss carryforward, is posted to the accounts as there is reasonable certainty that taxable income that may offset the aforementioned loss shall be recorded in the future.

### Section 2 – Revenues

#### Interest Income and Similar Revenues (Item 10)

As at December 31, 2010, this item totalled €26 and referred to interest income accrued on current bank accounts with credit institutions.

## **PART D – OTHER INFORMATION**

### ***Guarantees issued in favour of third parties***

The Company has not issued any guarantees in favour of third parties.

### ***Commitments***

There are no commitments.

### ***Off-balance Sheet Transactions***

As at December 31, 2010, no off-balance sheet transactions were carried out.

### ***Employees***

As at December 31, 2010, the Company had no employees on staff and subcontracted operations to outside providers.

### ***Compensation of Directors and Auditors***

#### **a) Directors**

There is no compensation approved in favour of the Sole Director.

#### **b) Auditors**

The Company does not have a Board of Statutory Auditors.

### ***Related party transactions***

No transactions with related parties were carried out.

### ***Management and coordination activities***

The Company is not subject to management and coordination activities exercised by controlling companies pursuant to Art. 2497 *bis* of the Civil Code.

Conegliano, April 6, 2011

**Manacor Finance S.r.l.**  
Single-Member Company  
Sole Director  
Luigi Bussi

To the Board of Directors,  
of Consumer One S.r.l., (already Manacor Finance S.r.l.) a sole partner company, with  
registered office in Via V. Alfieri n.1, 31015 Conegliano, tax code, VAT and registration  
in the Treviso company register n. 04362530265.

### **Auditing report**

I have completed the audit of the financial statements of Consumer One S.r.l., closed at 31  
December 2010. The Management of Consumer One S.r.l. is responsible for preparing the  
financial statements. It is my responsibility to issue a professional report regarding the  
financial statements based on the audit I conducted upon an assignment that was voluntarily  
entrusted to me. Therefore this report is not being issued as a requirement of law.

My audit is in compliance with statutory auditing principles. Pursuant to the such principles,  
the audit was planned and carried out in order to acquire all necessary elements that would  
ensure that the financial statements did not contain any significant errors and that they were  
overall accurate. The auditing process involved an analysis of all probative elements  
supporting the balances and information contained in the financial statements as well as an  
evaluation of the accuracy and correctness of the accounting criteria adopted and the  
reasonableness of the estimations made by the Management. I trust that the work done  
provides a reasonable basis for issuing a professional report.

It is therefore my opinion that the financial statements of Consumer One S.r.l. as at 31  
December 2010, comply with the provisions governing their preparation, that they were  
accurately prepared and are a truthful and correct representation of the balance sheet and  
financial position, as well as of the operating results of the company.

Conegliano, 21 July 2011

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(Lino De Luca)



**ISSUER**

**Consumer One S.r.l.**

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37121, Verona

Italy

**ORIGINATOR, SERVICER, ACCOUNT BANK,  
CASH MANAGER, CASH RESERVE  
SUBORDINATED LOAN PROVIDER,  
RENEGOTIATION RESERVE SUBORDINATED  
LOAN PROVIDER, SET-OFF RESERVE  
SUBORDINATED LOAN PROVIDER AND SWAP**

**COUNTERPARTY**

**UniCredit S.p.A.**

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**Capital and Funding Solutions S.r.l.**

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