PROSPECTUS

ALCHERA SPV S.R.L.

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

Euro 473,355,000.00 Series A-2017 Asset Backed Floating Rate Notes due 2048
Issue Price: **100%**

Euro 91,350,000.00 Series M-2017 Asset Backed Floating Rate Notes due 2050
Issue Price: **100%**

Euro 60,860,000.00 Series B1-2017 Asset Backed Floating Rate Notes due 2050
Issue Price: **100%**

Euro 33,730,000.00 Series B2-2017 Asset Backed Floating Rate Notes due 2050
Issue Price: **100%**

Euro 63,510,000.00 Series B3-2017 Asset Backed Floating Rate Notes due 2050
Issue Price: **100%**

Euro 47,720,000.00 Series B4-2017 Asset Backed Floating Rate Notes due 2050
Issue Price: **100%**

*This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by Alchera SPV S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of the Series 2 Notes (as defined below).*

*On 27 June 2013 (the "**Initial Issue Date**"), the Issuer issued Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Series A-2013 Notes**") and three series of junior notes for an aggregate amount of Euro 240,450,000 divided as follows: Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 (the "**Series B1-2013 Notes**"), Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 (the "**Series B2-2013 Notes**"), Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 (the "**Series B3-2013 Notes**" and together with the Series B1-2013 Notes and the Series B2-2013 Notes, the "**Series B-2013 Notes**" and, together with the Series A-2013 Notes, the "**Series 1 Notes**").*

*In addition, on 10 February 2017 (the "**Subsequent Issue Date**"), the Issuer will issue Euro 473,355,000.00 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Series A-2017 Notes**"), Euro 91,350,000.00 Class M Asset Backed Floating Rate Notes due November 2050 (the "**Series M-2017 Notes**") and four series of junior notes for an aggregate amount of Euro 205,820,000.00 divided as follows: Euro 60,860,000.00 Class B1 Asset Backed Floating Rate Notes due November 2050 (the "**Series B1-2017 Notes**"), Euro 33,730,000.00 Class B2 Asset Backed Floating Rate Notes due November 2050 (the "**Series B2-2017 Notes**"), Euro 63,510,000.00 Class B3 Asset Backed Floating Rate Notes due November 2050 (the "**Series B3-2017 Notes**") and Euro 47,720,000.00 Class B4 Asset Backed Floating Rate Notes due November 2050 (the "**Series B4-2017 Notes**" and, together with the Series B1-2017 Notes, the Series B2-2017 Notes and the Series B3-2017 Notes, the "**Series B-2017 Notes**" and, together with the Series A-2017 Notes and the the Series M-2017 Notes, the "**Series 2 Notes**" and, together with the Series 1 Notes, the "**Notes**").*

*The Issuer is a limited liability company (*società a responsabilità limitata*) incorporated on 12 February 2013 under the laws of the Republic of Italy as a special purpose vehicle pursuant to article 3 of Italian Law No. 130 of 30 April 1999 (the "**Law 130**" or also the "**Securitisation Law**"), registered with the companies register of Milan with No. 08149260963 and with the register held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014.*

*This Prospectus is issued pursuant to article 2, paragraph 3, of Law 130 in connection with the issuance of the Series 2 Notes. This Offering Circular is a prospectus with regard to the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive 2003/71/EC**") and relevant implementing measures in Ireland.*

*The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Application has been made to the Irish Stock Exchange plc for the Series A-2017 Notes and the Series M-2017 Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Series A-2017 Notes and the Series M-2017 Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. No application has been made to list the Series B-2017 Notes on any stock exchange.*

*The net proceeds of the offering of the Series 1 Notes have been mainly applied by the Issuer to fund the purchase of the initial portfolios of monetary claims (respectively, the "**Initial Portfolios**" and the "**Initial Claims**") arising under mortgage and unsecured loans executed by Banca Cassa di Risparmio di Savigliano S.p.A. ("**Banca CR Savigliano**"), Banca Mediocredito del Friuli Venezia Giulia S.p.A. ("**Banca MCFVG**") and Cassa di Risparmio di Saluzzo S.p.A. ("**CR Saluzzo**"). The Initial Portfolios have been purchased by the Issuer under the terms of three transfer agreements as between the Issuer and each Originator pursuant to Law 130 on 6 June 2013 (each an "**Initial Transfer Agreement**" and, collectively, the "**Initial Transfer Agreements**"). The principal source of payment of interest and repayment of principal on the Series 1 Notes have been collections and recoveries made from or in respect of the Initial Portfolios.*

*On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement and resigned from all of its roles under the Transaction (the "**Resignation**"). Further to the Resignation, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime Credito Cooperativo Carrù Società Cooperativa per Azioni ("**Banca Alpi Marittime**") and Cassa di Risparmio di Cento S.p.A. ("**CR Cento**" and, together with Banca CR Savigliano, Banca MCFVG and Banca Alpi Marittime, the "**Originators**") entered into on 1 February 2017 with the Issuer four new transfer agreements pursuant to Law 130 (each a "**Subsequent Transfer Agreement**" and, collectively, the "**Subsequent Transfer Agreements**") in order transfer to the Issuer additional pools of monetary claims and other connected rights (the "**Subsequent Claims**" arising out of new portfolios, each a "**Subsequent Portfolio**") consisting of mortgage and unsecured loans.*

*The Initial Portfolios (but excluding the outstanding balance of the Initial Portfolio repurchased by CR Saluzzo) and the Subsequent Portfolios are, collectively, referred to as the "**Portfolio**" and will constitue as a whole, upon issuance of the Series 2 Notes, the principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Series 2 Notes.*

*Calculations as to the estimated average life of the Series A-2017 Notes and the Series M-2017 Notes can be made based on certain assumptions as set out in the section "**Estimated Weighted Average Life of the Series A-2017 Notes and the Series M-2017 Notes**", including, but not limited to, the level of prepayments of the Claims. However, there is no certainty that the Series A-2017 Notes and the Series M-2017 Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Series A-2017 Notes and the Series M-2017 Notes could be reduced as a result of losses incurred in respect of the Portfolios. If the Series 2 Notes cannot be redeemed in full on the Series 2 Notes Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus. If any amounts remain outstanding in respect of the Series 2 Notes upon expiry of the Series 2 Notes Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Series 2 Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Series 2 Notes which cannot be predicted, depending, inter alia, on the level of prepayments which will occur under the Portfolios.*

*The Series 2 Notes will be subject to mandatory pro-rata redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Series A-2017 Notes will be redeemed on the Payment Date falling on November 2048 and the Series M-2017 Notes will be redeemed on the Payment Date falling on November 2050. The Series 2 Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Series 2 Notes Final Maturity Date the Series 2 Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under and in accordance Condition 6.2 (Redemption for Taxation) or Condition 6.4 (Optional Redemption).*

*Interest on the Series 2 Notes will accrue from the Subsequent Issue Date and will be payable quarterly in arrears on the 10th day of February, May, August and November in each year or, if any such day is not a day on which banks are open for business in Dublin, London and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open (a "**Business Day**"), the following Business Day (each a "**Payment Date**"). The first Payment Date of the Series 1 Notes has been the one falling on 11th November 2013 and the first Payment Date of the Series 2 Notes is the one falling on 10 May 2017. The Series 2 Notes will bear interest from (and including) a Payment Date to (but excluding) the following Payment Date (each an "**Interest Period**") provided that the first Interest Period of the Series 2 Notes (the "**Initial Interest Period**") shall begin on (and include) the Subsequent Issue Date and end on (but exclude) the first Payment Date. The rate of interest applicable to the Series 2 Notes for each Interest Period shall be the higher of 1) 0%(zero per cent) and 2) the aggregate of (i) the rate equal to the Euro-Zone Inter-bank ("**Euribor**") offered rate for three month deposits in Euro ("**Three Month EURIBOR**") (as determined in accordance with Condition 5 (Interest)), and (ii) a margin equal to 0.40 per cent per annum in respect to the Series A-2017 Notes; or equal to 1.10 per cent per annum in respect to the Series M-2017 Notes; provided that only the Three Month EURIBOR applicable to the Class A Notes shall not be, at any time, higher than 5.00% (five per cent) per annum and, accordingly, if at any time the Three Month EURIBOR is higher than 5.00% (five per cent) per annum, in respect to the Class A Notes only, it shall be deemed as being equal to 5.00% (five per cent) per annum. In addition, the Series B-2017 Notes will bear additional interest in an amount equal to the Single Series Class B Notes Additional Interest Payment Amount. All payments of principal and interest under the Series 2 Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Series 2 Notes, payments of interest on, and principal of the Series 2 Notes will be made subject to such withholding tax, without the Issuer or any other Person being obliged to pay any additional amounts to any holder of the Series 2 Notes of any Class as a consequence. For further details see the section entitled "Taxation in the Republic of Italy".*

*The Series 2 Notes will be held in dematerialised form on behalf of the beneficial owners as of the Initial Issue Date until redemption or cancellation thereof by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders (as defined in the Conditions). The expression "**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S. A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Monte Titoli shall act as depository for Clearstream and Euroclear. The Series A-2017 Notes and the Series M-2017 Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and with Resolution dated 22 February 2008 jointly issued by the Bank of Italy and the Commissione Nazionale per le Società e la Borsa ("**CONSOB**"), as amended from time to time.*

*The Series A-2017 Notes are expected to be rated, on issue, AA(low) (sf) by DBRS Ratings Limited and A(sf) by Standard & Poor's Credit Market Services Italy S.r.l. (DBRS Ratings Limited together with Standard & Poor's Credit Market Services Italy S.r.l., the "**Rating Agencies**"). The Series M-2017 Notes are expected to be rated, on issue, BBB(sf) by DBRS Ratings Limited and BBB-(sf) by Standard & Poor's Credit Market Services Italy S.r.l.. As of the date of this Prospectus, each of DBRS Ratings Limited and Standard & Poor's Credit Market Services Italy S.r.l. is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus). No rating will be assigned to the Series B-2017 Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation. The Series A-2017 Notes and the Series M-2017 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws of the U.S. and may be subject to U.S. tax laws. Subject to certain exceptions, the Series A-2017 Notes and the Series M-2017 Notes may not be offered or sold within the U.S. or for the benefit of U.S. Persons (as defined in Regulation S under the Securities Act). See "**Subscription and Sale**".*

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Series 2 Notes, see "Risk Factors".

Co-Arrangers

A&F S.R.L. and StormHarbour Securities LLP

Dated 9 February 2017

RESPONSIBILITY STATEMENT

None of the Issuer, the Co-Arrangers or any other party to any of the Transaction Documents (as defined herein), other than the Originators, has undertaken or will undertake any investigations, searches or other actions to verify the details of the Portfolios sold by each of the Originators to the Issuer, nor have the Issuer, the Co-Arrangers or any other party to any of the Transaction Documents, other than the Originators, undertaken nor will any of them undertake, any investigations, searches or other actions to establish the existence of any of the monetary claims in the Portfolios or the creditworthiness of any Borrower.

The Issuer

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the issuance and offering of the Series 2 Notes, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading.

The Originators

*Each of the Originators has provided the information under the sections headed "**The Portfolios**", "**The Originators**" and "**Collection Policy and Recovery Procedures**" and any other information contained in this Prospectus relating to itself and the Portfolios and accepts responsibility for the information contained in those sections as well as the information provided to complete the estimated weighted average life of the Series 2 Notes. To the best of the knowledge of each of the Originators (which has taken all reasonable care to ensure that such is the case), the information and data for which it is responsible as described above, are in accordance with the facts and do not omit anything likely to affect the import of such information and data.*

The Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Italian Account Bank, the English Account Bank and the Agent Bank

*Each of Citibank N.A., London Branch and Citibank N.A., Milan Branch, has provided the information included in this Prospectus in the relevant part of the section headed "**The Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Italian Account Bank, the English Account Bank and the Agent Bank**" and accepts responsibility for the information contained in that section. To the best of the knowledge of each of Citibank N.A., London Branch and Citibank N.A., Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, each of Citibank N.A., London Branch and Citibank N.A., Milan Branch, has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

The Computation Agent

*Accounting Partners S.r.l. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Computation Agent**" and accepts responsibility for the information contained in that paragraph. To the best of the knowledge of Accounting Partners S.r.l. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Accounting Partners S.r.l. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

No Person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been

authorised by or on behalf of the Issuer, each of the Originators (in any capacity) or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Series 2 Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originators or the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

The Series 2 Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom will be segregated from and all other assets of the Issuer.

The Series 2 Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originators (in any capacity), the quotaholder of the Issuer or any Other Issuer Creditor (as defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Series 2 Notes.

*Both before and after a winding-up of the Issuer, the Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios (the "**Transaction**") and to the corporate existence and good standing of the Issuer. The "**Other Issuer Creditors**" are the Originators, the Servicers, the Representative of the Noteholders, the Stichting Corporate Services Provider, the Security Trustee, the Back-Up Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Corporate Services Provider, the Back-Up Servicer Facilitator, the Computation Agent, the Subscribers and the Irish Listing Agent and any other person that may accede to the Intercreditor Agreement from time to time. The Noteholders will agree that the Single Portfolio Available Funds and the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the order of priority of application of the Single Portfolio Available Funds and of the Issuer Available Funds set forth in the Intercreditor Agreement (the "**Orders of Priority**").*

The Issuer's rights, title and interest in and to the Portfolios and the other Issuer's Rights (as defined in the Conditions) may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors in accordance with the Transaction Documents and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Series 2 Notes and full discharge by the Issuer of its obligations vis-a-vis the Noteholders, the Other Issuer Creditors and any such third party.

The distribution of this Prospectus and the offering of the Series 2 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 to inform themselves about and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Series 2 Notes, or a solicitation of an offer to buy any of the Series 2 Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Prospectus can only be used for the purposes for which it has been issued.

*The Series 2 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 Series 2 Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor an "*offerta al pubblico di prodotti finanziari*") of the Series 2 Notes to the public in the Republic of Italy. Accordingly, the Series 2 Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Series 2 Notes may be*

distributed, or made available, to the public in the Republic of Italy. Individual sales of the Series 2 Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Series 2 Notes and the distribution of this Prospectus see "Subscription and Sale".

*The Series 2 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Series A-2017 Notes, the Series M-2017 Notes and the Series B-2017 Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "Subscription and Sale".*

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Neither this document nor any other information supplied in connection with the issue of the Series 2 Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Series 2 Notes, should purchase any of the Series 2 Notes. Each investor contemplating purchasing any of the Series 2 Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.

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

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

In this Prospectus references to "Euro", "EUR", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

TABLE OF CONTENTS

OVERVIEW OF THE TRANSACTION

The following information is an overview of certain aspects of the transactions relating to the Series 2 Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus and in the Transaction Documents. All capitalised words and expressions used in this Transaction Overview, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.

PRINCIPAL FEATURES OF THE NOTES

TITLE

On 27 June 2013 (the "**Initial Issue Date**"), the Issuer has issued the following notes:

Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Series A-2013 Notes**");

Euro 240,450,000 Class B Asset Backed Floating Rate Notes due November 2048 (the "**Series B-2013 Notes**" and, together with the Series A-2013 Notes, the "**Series 1 Notes**").

The Series B-2013 Notes have been issued by the Issuer on the Initial Issue Date in the following classes:

Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 (the "**Series B1-2013 Notes**");

Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 (the "**Series B2-2013 Notes**");

Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 (the "**Series B3-2013 Notes**").

The Principal Amount Outstanding of the Series 1 Notes as of the Payment Date falling on 10 February 2017 (after payments under the relevant Order of Priority having been made) is expected to be as follows:

- Series A-2013 Notes: Euro 83,325,853.85;
- Series B1-2013 Notes: Euro 87,842,000.00;
- Series B2-2013 Notes: Euro 63,435,000.00; and
- Series B3-2013 Notes: Euro 84,966,060.42.

On 10 February 2017 (the "**Subsequent Issue Date**"), the Issuer will issue:

- Euro 473,355,000.00 Class A Asset-Backed Floating Rate Notes due November 2048 (the "**Series A-2017 Notes**" and, together with the Series A-2013 Notes, the "**Class A Notes**");
- Euro 91,350,000.00 Class M Asset-Backed Floating Rate

Notes due November 2050 (the "**Series M-2017 Notes**").

- Euro 205,820,000.00 Class B Asset-Backed Floating Rate Notes due November 2050 (the "**Series B-2017 Notes**" and, together with the Series B-2013 Notes, the "**Class B Notes**").

The Series B-2017 Notes will be issued by the Issuer on the Subsequent Issue Date in the following classes:

Euro 60,860,000.00 Class B1 Asset Backed Floating Rate Notes due November 2050 (the "**Series B1-2017 Notes**" and, together with the Series B1-2013 Notes, the "**Series B1 Notes**");

Euro 33,730,000.00 Class B2 Asset Backed Floating Rate Notes due November 2050 (the "**Series B2-2017 Notes**" and, together with the Series B2-2013 Notes, the "**Series B2 Notes**");

Euro 63,510,000.00 Class B3 Asset Backed Floating Rate Notes due November 2050 (the "**Series B3-2017 Notes**" and, together with the Series B3-2013 Notes, the "**Series B3 Notes**");

Euro 47,720,000.00 Class B4 Asset Backed Floating Rate Notes due November 2050 (the "**Series B4-2017 Notes**" or the "**Series B4 Notes**").

The Series A-2017 Notes, the Series M-2017 Notes and the Series B-2017 Notes are collectively referred to as the "**Series 2 Notes**", and togheter with the Series 1 Notes, the "**Notes**".

"**Issue Date**" means (i) in respect of the Series 1 Notes, the Initial Issue Date, and (ii) in respect of the Series 2 Notes, the Subsequent Issue Date.

In addition, on or about the Subsequent Issue Date, the Series B-2013 Notes will be reduced to 0.

ISSUE PRICE

The Series 2 Notes will be issued at the following percentages of their principal amount:

Series	*Issue Price*
Series A-2017	100%
Series M-2017	100%
Series B1-2017	100%
Series B2-2017	100%
Series B3-2017	100%
Series B4-2017	100%

INTEREST

The rate of interest applicable from time to time in respect of the Series 2 Notes (the "**Interest Rate**") will be:

(a) in respect of the Series A-2017 Notes, the higher of:

1) 0% (zero per cent); and

2) the aggregate of:

(i) the EURIBOR for three month deposits in Euro,

as determined and defined in accordance with Condition 5 (*Interest*) (the "**Three Month EURIBOR**"); and

(ii) a margin of 0.40% *per annum* (the "**Class A Margin**"); and

(b) in respect of the Series M-2017 Notes, the higher of:

1) 0% (zero per cent); and

2) the aggregate of (i) the Three Month EURIBOR as determined and defined in accordance with Condition 5 (*Interest*), and (ii) a margin of 1.10% *per annum* (the "**Class M Margin**"); and

(c) in respect of the Series B-2017 Notes, the higher of:

1) 0% (zero per cent); and

2) the Three Month EURIBOR, as determined and defined in accordance with Condition 5 (*Interest*);

provided that only the Three Month EURIBOR applicable to the Class A Notes shall not be, at any time, higher than 5.00% (five per cent) per annum and, accordingly, if at any time the Three Month EURIBOR is higher than 5.00% (five per cent) per annum, in respect to the Class A Notes only it shall be deemed as being equal to 5.00% (five per cent) per annum.

In addition to the Interest Rate, each Series of Series B-2017 Notes will accrue, in each Interest Period, additional interest in an amount equal to the Single Series Class B Notes Additional Interest Payment Amount (as defined below) calculated on each Calculation Date and payable on the next following Payment Date.

SINGLE SERIES CLASS B NOTES ADDITIONAL INTEREST PAYMENT AMOUNT

Means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

(i) the aggregate of all Interest Instalments collected on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; ***plus***

(ii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; ***plus***

(iii) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; ***plus***

(iv) (a) the relevant Outstanding Notes Ratio of all amounts of

interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; ***plus***

(v) the Cash Reserve Excess of the Relevant Portfolio and the Cash Reserve Amortisation Amount of the Relevant Portfolio; ***plus***

(vi) all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account; ***minus***

(vii) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) through (*Fifth*) plus (*Seventh*), (*Tenth*), (*Sixteenth*) and (*Nineteenth*) of the Pre-Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*) through (*Fifth*), plus (*Seventh*), (*Ninth*), (*Twelfth*) and (*Fourteenth*) of the Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*) through (*Fifth*) plus (*Seventh*), *(Tenth),* (*Fourteenth*) and (*Seventeenth*) of the Cross Collateral Order of Priority; ***minus***

(viii) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date; ***minus***

(ix) on the relevant First Payment Date only, the amount of the relevant Interest Accrual.

PAYMENT DATE

Interest is payable in respect of the Notes, quarterly in arrears in Euro on the 10th day of February, May, August and November in each year or, if such date is not a Business Day, on the following Business Day (each such date a "**Payment Date**"). The first payment of interest under the Series 1 Notes has been the 11th November 2013 and the first payment of interest under the Series 2 Notes will be due and payable on the Payment Date

	falling on 10th May 2017 (the "**First Payment Date**") and will relate to the period from (and including) the Subsequent Issue Date to (but excluding) such Payment Date.
CALCULATION DATE	Means the date falling on the 3rd day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day; in relation to the Series 2 Notes the first Calculation Date is 3 May 2017. "**Quarterly Servicing Report Date**" means the 20th day of January, April, July and October in each year or, if such date is not a Business Day, the following Business Day. **"Investors Report Date"** means the date falling not later than 15 (fifteen) calendar days after each Payment Date.
FORM AND DENOMINATION	The Series 2 Notes will be held in dematerialised form on behalf of the beneficial owners as of the Subsequent Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Series 2 Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Italian Legislative Decree No. 58 of 24 February 1998 and the Resolution dated 22 February 2008 jointly issued by CONSOB and the Bank of Italy, as amended from time to time. No physical document of title will be issued in respect of the Series 2 Notes. The Series A-2017 Notes and the Series M-2017 Notes will be issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Series B-2017 Notes will be issued in denomination of Euro 10,000. The Issuer will elect Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").
STATUS	Before delivery of a Trigger Notice (as defined below) with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Class A Notes will rank pari passu and without any preference or priority among themselves but in priority to the Series M-2017 Notes and the Class B Notes. The Series M-2017 Notes will rank pari passu and without any preference or priority among themselves and in priority to the Class B Notes but will be subordinated to the Class A Notes. The Class B Notes of each Series will rank pari passu and without any preference or priority among themselves but will be subordinated to the Class A Notes and the Series M-2017 Notes. Following the delivery of a Trigger Notice with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Class A Notes will rank pari passu and without any preference or priority among

themselves but in priority to the Series M-2017 Notes and the Class B Notes. The Series M-2017 Notes will rank pari passu and without any preference or priority among themselves and in priority to the Class B Notes but will be subordinated to the Class A Notes. The Class B Notes of each Series will rank pari passu and without any preference or priority among themselves but will be subordinated to the Class A Notes and the Series M-2017 Notes.

Principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries from the Relevant Portfolio, provided that following delivery of a Cross Collateral Notice and/or delivery of a Trigger Notice, principal on all Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the Relevant Portfolio. The Class B Notes shall at all times be subordinated to the Class A Notes and the Series M-2017 Notes.

ISSUER AVAILABLE FUNDS

Means, in respect of each Payment Date (following the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer in respect of the Claims during the immediately preceding Collection Period;

(ii) all other amounts transferred during the immediately preceding Collection Period into the Collections and Recoveries Accounts;

(iii) all the amounts credited to the Collections and Recoveries Accounts on the immediately preceding Payment Date;

(iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(v) all amounts paid into the Principal Amortisation Reserve Accounts on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the Originators, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements and all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) all amounts paid into the Single Portfolio Detrimental Reserve Accounts in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3(a) of the Cash Administration and Agency Agreement);

(ix) any amount paid into the Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Cash Reserve in an amount equal to the Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due (a) under items (*First*) to (*Seventh*) of the Cross Collateral Order of Priority *provided that* any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and (b) under items (*First*) to (*Eighth*) of the Acceleration Order of Priority;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Portfolios.

SINGLE PORTFOLIO AVAILABLE FUNDS

Means, in respect of each Payment Date and each Portfolio (before the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;

(ii) all other amounts transferred during the immediately preceding Collection Period into the relevant Collections and Recoveries Account;

(iii)(a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to

the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period;

(iv) any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account;

(v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreements and/or the Transfer Agreements in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) the relevant Outstanding Notes Ratio of any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) the amounts paid into the credit of the Detrimental Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(ix) the amounts paid into the relevant Single Portfolio Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3 (a)

of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Relevant Cash Reserve (augmented as the case may be by the amount made available by the other Relevant Cash Reserve pursuant to the terms of the Cash Administration and Agency Agreement) in an amount equal to the Single Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority; *provided that* any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Relevant Portfolio, the Cash Reserve Amortisation Amount of the Relevant Portfolio and the Cash Reserve Excess of the Relevant Portfolio.

"**Mortgage Loan Agreement**" means each agreement by which a Mortgage Loan has been granted.

"***Mutui Fondiari* Agreements**" means any Mortgage Loan Agreement under which it has been granted a Mortgage Loan deemed as "mutuo fondiario" in accordance with article 38 and sub. of the Consolidated Banking Act.

THE PORTFOLIOS

The principal source of payment of interest and repayment of principal on the Notes will be recoveries and collections made in respect of the following portfolios of monetary claims and connected rights arising under mortgage loan agreements and unsecured loan agreements (the "**Loan Agreements**") purchased by the Issuer pursuant to the Transfer Agreements:

Portfolio No. 1, the portfolios of Claims which have been sold to the Issuer by Banca CR Savigliano;

Portfolio No. 2, the portfolios of Claims which have been sold to the Issuer by Banca MCFVG;

Portfolio No. 3, the portfolio of Claims which has been sold to the Issuer by Banca Alpi Marittime; and

Portfolio No. 4, the portfolio of Claims which has been sold to the Issuer by CR Cento; (each a "**Portfolio**" and, collectively, the "**Portfolios**" or the "**Claims**").

See further "*Description of the Transfer Agreements*" and "*Description of the Warranty and Indemnity Agreements*".

OUTSTANDING NOTES RATIO

Means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal

Amount Outstanding; and (y) the Principal Amount Outstanding of all the Notes.

The "**Principal Amount Outstanding**" of each of the Notes on any date shall be the principal amount of that Note upon issue less the aggregate amount of all payments of principal in respect of that Note that have been made prior to such date.

SINGLE PORTFOLIO NOTES PRINCIPAL AMOUNT OUTSTANDING

Means with respect to each Payment Date:

(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B1 Notes;

(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B2 Notes;

(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B3 Notes;

(iv) with respect to Portfolio No. 4, the aggregate of the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B4 Notes.

in each case as at the immediately preceding Collection Date.

SINGLE PORTFOLIO SERIES A-2013 NOTES PRINCIPAL AMOUNT OUTSTANDING

Means, with respect to each Payment Date and to Portfolio No.1, Portfolio No.2 and Portfolio No.3, the difference between:

1. the relevant Single Portfolio Initial Series A-2013 Notes Principal Amount Outstanding; and

2. the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect to the Series A-2013 Notes on the preceding Payment Dates pursuant to the applicable Priority of Payments.

SINGLE PORTFOLIO SERIES A-2017 NOTES

Means, with respect to each Payment Date and to each Portfolio, the difference between:

PRINCIPAL AMOUNT OUTSTANDING

1. the relevant Single Portfolio Initial Series A-2017 Notes Principal Amount Outstanding; and

2. the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect to the Series A-2017 Notes on the preceding Payment Dates pursuant to the applicable Priority of Payments.

SINGLE PORTFOLIO CLASS A NOTES PRINCIPAL AMOUNT OUTSTANDING

Means, with respect to each Payment Date and to each Portfolio, the sum of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding.

SINGLE PORTFOLIO SERIES M-2017 NOTES PRINCIPAL AMOUNT OUTSTANDING

Means, with respect to each Payment Date and to each Portfolio, the difference between:

1. the relevant Single Portfolio Initial Series M-2017 Notes Principal Amount Outstanding; and

2. the aggregate of all the Single Portfolio Series M-2017 Notes Principal Payment Amounts paid in respect of the Relevant Portfolio to the Class M Noteholders on the preceding Payment Dates.

SINGLE PORTFOLIO INITIAL SERIES A-2013 NOTES PRINCIPAL AMOUNT OUTSTANDING

Means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 32,998,883.25; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 10,372,525.67; and (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 39,954,444.93.

SINGLE PORTFOLIO INITIAL SERIES A-2017 NOTES PRINCIPAL AMOUNT OUTSTANDING

Means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 131,542,000.00; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 80,904,000.00; (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 131,821,000.00; and (iv) with respect to Portfolio No. 4, as at the Subsequent Issue Date an amount equal to Euro 129,088,000.00.

SINGLE PORTFOLIO INITIAL SERIES M-2017 NOTES PRINCIPAL AMOUNT OUTSTANDING

Means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 27,003,000.00; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 14,981,000.00; (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 28,182,000.00; and (iv) with respect to Portfolio No. 4, as at the Subsequent Issue Date an amount equal to Euro 21,184,000.00.

SINGLE SERIES AVAILABLE CLASS B NOTES REDEMPTION FUNDS

Means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lower of:

(i) the Single Portfolio Available Funds with respect to the Relevant Portfolio, available for redemption of the Principal Amount Outstanding of such Series of Class B Notes according to the Pre-Acceleration Order of Priority or the Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable; and

(ii) the Principal Amount Outstanding of such Series of Class B Notes.

CLASS A NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

SERIES M-2017 NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date, the aggregate of all Single Portfolio Series M-2017 Notes Principal Payment Amounts.

SINGLE PORTFOLIO CLASS A NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

SINGLE PORTFOLIO SERIES M-2017 NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date (to the extent not used for the payment of the relevant Single Portfolio Class A Notes Principal Payment Amount) and (ii) the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

SINGLE PORTFOLIO AMORTISED PRINCIPAL

Means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

(i) the aggregate amount of the Principal Instalments of the Claims of the Relevant Portfolio collected during the immediately preceding Collection Period (including, for the avoidance of doubt, any such collection lost due to any insolvency event on the Servicer having occurred) excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);

(ii) the Outstanding Principal of the Claims of the Relevant Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(iii) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreements and/or the Warranty and Indemnity Agreements and any amount received by the Issuer from

the relevant Originator as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(iv) the Single Portfolio Amortised Principal unpaid at the previous Payment Date;

(v) the proceeds from the sale of the Relevant Portfolio; and

(vi) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims.

ACCOUNTS AND DESCRIPTION OF CASH FLOWS

ACCOUNTS HELD WITH THE ITALIAN ACCOUNT BANK

The Issuer has directed the Italian Account Bank to establish, maintain and operate the following accounts (denominated in Euro) as separate accounts in the name of the Issuer:

QUOTA CAPITAL ACCOUNT

An account (the "**Quota Capital Account**") (*Conto Capitale Sociale*), IBAN Code: IT17M0356601600000125616011, *into which* all sums contributed by the Quotaholder as quota capital and any interest thereon will be credited.

COLLECTIONS AND RECOVERIES ACCOUNTS

Four accounts (collectively, the "**Collections and Recoveries Accounts**", and each a "**Collections and Recoveries Account**") (*Conti dell'Operazione*) (with respect to Portfolio No. 1, the "**Collections and Recoveries Account Banca CR Savigliano**" IBAN Code: IT16A0356601600000125616038); (with respect to Portfolio No. 2, the "**Collections and Recoveries Account Banca MCFVG**" IBAN Code: IT91A0356601600000125616046); (with respect to Portfolio No. 3, the "**Collections and Recoveries Account Banca Alpi Marittime**" IBAN Code: IT49N0356601600000125616089); and (with respect to Portfolio No. 4, the "**Collections and Recoveries Account CR Cento**" IBAN Code: IT55C0356601600000125616062), *into which* respectively **(i)** all amounts received or recovered by each Servicer in respect of the Claims shall be credited in accordance with the Servicing Agreement; **(ii)** all amounts, if any, received by the Issuer from the relevant Originator pursuant to the relevant Warranty and Indemnity Agreement and/or the relevant Transfer Agreement in respect of the Claims of the Relevant Portfolio and all amounts received by the Issuer as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement shall be credited into the Collections and Recoveries Account related to the Relevant Portfolio; and *out of which:* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Collections and Recoveries Account related to each Relevant Portfolio will be transferred to the Investment Account of the Relevant Portfolio.

ACCOUNTS HELD WITH THE ENGLISH ACCOUNT BANK	The Issuer has directed the English Account Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer, in accordance with the terms and conditions of the Cash Administration and Agency Agreement and those set forth in the Current Account Agreement and in the Custody Terms and Conditions (if any) (without prejudice to what provided by clause 7.1 of the Cash Administration and Agency Agreement):
PAYMENTS ACCOUNT	An account (the "**Payments Account**") (*Conto Pagamenti*), IBAN Code: GB90CITI18500811727737, *into which* **(i)** on the Subsequent Issue Date the subscription price of the Series 2 Notes (net of any set off agreed in the Subsequent Subscription Agreement) shall be paid; **(ii)** all amounts received by the Issuer under the Transaction Documents (other than collections and recoveries on the Claims) will be credited, if not credited to other accounts pursuant to the Transaction Documents; **(iii)** all amounts standing to the credit of the Investment Accounts shall be credited 2 (two) Business Days prior to each Payment Date in accordance with clause 8.2 of the Cash Administration and Agency Agreement; and *out of which* **(1)** on the Subsequent Issue Date amounts necessary to fund respectively the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve, the Banca Alpi Marittime Cash Reserve and the CR Cento Cash Reserve shall be paid to the Relevant Cash Reserve SubAccount and amounts necessary to fund respectively the Banca CR Savigliano Additional Cash Reserve, the Banca MCFVG Additional Cash Reserve, the Banca Alpi Marittime Additional Cash Reserve and the CR Cento Additional Cash Reserve shall be paid to the Relevant Additional Reserve SubAccount; **(2)** (a) within close of business 1 (one) Business Day prior to each Payment Date amounts necessary to repay principal and to pay interests on the Notes shall be transferred to an account of the Principal Paying Agent in order to be used by the Local Paying Agent in accordance with clause 4.3 of the Cash Administration and Agency Agreement; (b) on each Payment Date all payments shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; **(3)** on the Business Day preceding each Payment Date an amount equal to the difference between (a) amounts invested in Eligible Investments out of each Relevant Cash Reserve SubAccount in the preceding Collection Period and (b) the sum of (x) the amount of each Relevant Cash Reserve necessary to augment the Issuer Available Funds or the Single Portfolio Available Funds as calculated by the Computation Agent (also in accordance with clause 14 of the Cash Administration and Agency Agreement and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date and (z) each relevant Cash Reserve Amortisation Amount in respect of the immediately following Payment Date, shall be credited to the Relevant Cash Reserve SubAccount; **(4)** on or about the Subsequent Issue Date certain upfront costs of the Transaction shall be paid by the Issuer in accordance with

the Subsequent Subscription Agreement; **(5)** any taxes due and payable on behalf of the Issuer will be paid and **(6)** any fees, costs and expenses required to be paid (a) in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations and (b) to fulfil payment obligations of the Issuer to third parties incurred in relation to this Transaction to the extent that the payment of such fees, costs and expenses is not deferrable until the immediately subsequent Payment Date, will be paid;

provided that in any case the balance of the Payments Account shall at least be equal to the Retention Amount, unless such amount has to be used to pay any amount under item (5) and (6) above.

"**Interest Accruals**" means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the relevant Claims as of the Effective Date (excluding interest in arrears (*interessi di mora*)), and equal to, as of the Effective Date falling on 1 January 2017, with respect to Portfolio No. 1, Euro 688.97, with respect to Portfolio No. 2, Euro 80,017.33, with respect to Portfolio No. 3, Euro 589,994.49 and with respect to Portfolio No. 4, Euro 550,973.33.

SINGLE PORTFOLIO DETRIMENTAL RESERVE ACCOUNT

Four accounts (collectively the "**Single Portfolio Detrimental Reserve Accounts**" and each a "**Single Portfolio Detrimental Reserve Account**") (*Conti di Riserva Singolo Portafoglio*) to be opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a First Single Portfolio Detrimental Event Notice *into which* on each Payment Date following the occurrence of a First Single Portfolio Detrimental Event with respect to one or more Portfolios, the First Single Portfolio Detrimental Reserve Amount with respect to the relevant Portfolio or Portfolios in respect of which the First Single Portfolio Detrimental Event has occurred shall be paid from the Payments Account in accordance with the applicable Order of Priority; and *out of which* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the relevant Single Portfolio Detrimental Reserve Account will be transferred to the Investment Account of the Relevant Portfolio;

provided however that, should the Single Portfolio Detrimental Reserve Account not be opened within the term set out herein, the First Single Portfolio Detrimental Reserve Amount with respect to the relevant Portfolio or Portfolios in respect of which the First Single Portfolio Detrimental Event has occurred, shall be paid into the relevant Investment Account.

PRINCIPAL AMORTISATION RESERVE

Four accounts (the "**Principal Amortisation Reserve Accounts**" and each a "**Principal Amortisation Reserve Account**") (*Conti di Riserva Ammortamento Capitale*) to be

ACCOUNT	opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a Disequilibrium Event Notice *into which* on each Payment Date following the occurrence of a Disequilibrium Event the relevant Principal Amortisation Reserve Amount shall be paid from the Payments Account in accordance with the applicable Order of Priority; and *out of which:* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the relevant Principal Amortisation Reserve Account will be transferred to the Investment Account of the Relevant Portfolio; *provided however that*, should the Principal Amortisation Reserve Account not be opened within the term set out herein, the relevant Principal Amortisation Reserve Amount shall be paid into the Payments Account.
CASH RESERVE ACCOUNTS, CASH RESERVE SUBACCOUNTS and ADDITIONAL RESERVE SUBACCOUNTS	Four accounts (the "**Cash Reserve Accounts**", and each a "**Cash Reserve Account**") with IBAN Code: GB68CITI18500811727745 with respect to Portfolio No. 1 ("**Banca CR Savigliano Cash Reserve Account**"); IBAN Code: GB46CITI18500811727753 with respect to Portfolio No. 2 ("**Banca MCFVG Cash Reserve Account**"); IBAN Code: GB83CITI18500818432600 with respect to Portfolio No. 3 ("**Banca Alpi Marittime Cash Reserve Account**"); and IBAN Code: GB55CITI18500818432619 with respect to Portfolio No. 4 ("**CR Cento Cash Reserve Account**"). Each Cash Reserve Account will be subdivided into two subaccounts, respectively: (A) the "**Cash Reserve SubAccount**" (denominated for each Portfolio respectively the "**Banca MCFVG Cash Reserve SubAccount**", the "**CR Cento Cash Reserve SubAccount**", the "**Banca CR Savigliano Cash Reserve SubAccount**", the "**Banca Alpi Marittime Cash Reserve SubAccount**" and together the "**Cash Reserve SubAccounts**") *into which*, **(i)** on the Subsequent Issue Date amounts necessary to fund each Relevant Cash Reserve shall be paid from the Payments Account; **(ii)** on each Payment Date all sums payable from the Relevant Portfolio under item (*Ninth*) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority shall be credited, and **(iii)** on the Business Day preceding each Payment Date an amount equal to the difference between (a) amounts invested in Eligible Investments out of each Relevant Cash Reserve SubAccount in the preceding Collection Period and (b) the sum of (x) the amount of each Relevant Cash Reserve necessary to augment the Issuer Available Funds or the Single Portfolio Available Funds as calculated by the Computation Agent (and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, (y) each relevant Cash Reserve Excess in respect of the immediately following Payment

Date and (z) each relevant Cash Reserve Amortisation Amount in respect of the immediately following Payment Date, shall be credited from the Payments Account; and *out of which*: in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Relevant Cash Reserve SubAccount will be transferred to the Investment Account of the Relevant Portfolio; and

(B) the "**Additional Reserve SubAccount**" (denominated for each Portfolio respectively the "**Banca MCFVG Additional Reserve SubAccount**", the "**CR Cento Additional Reserve SubAccount**", the "**Banca CR Savigliano Additional Reserve SubAccount**", the "**Banca Alpi Marittime Additional Reserve SubAccount**" and together the "**Additional Reserve SubAccounts**") *into which*, (i) on the Subsequent Issue Date amounts necessary to fund each Relevant Additional Cash Reserve shall be paid from the Payments Account; (ii) on each Payment Date all sums payable from the Relevant Portfolio under item (*Twelfth*) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority shall be credited; and *out of which*: in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Relevant Additional Reserve SubAccount will be transferred to the Investment Account of the Relevant Portfolio.

DETRIMENTAL RESERVE ACCOUNT

An account denominated (the "**Detrimental Reserve Account**"), to be opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a Detrimental Event Notice *into which* on each Payment Date following the occurrence of a Detrimental Event, the Detrimental Reserve Amount shall be paid from the Payments Account; and *out of which* **(i)** in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, the Detrimental Reserve Amount credited from the relevant Single Portfolio Available Funds or the relevant Outstanding Notes Ratio of the Detrimental Reserve Amount credited from the Issuer Available Funds shall be credited to the Investment Account of the Relevant Portfolio;

provided however that, should the Detrimental Reserve Account not be opened within the term set out herein, the Detrimental Reserve Amount shall be paid into the Payments Account.

INVESTMENT ACCOUNTS

Four accounts (collectively the "**Investment Accounts**", and each an "**Investment Account**") IBAN Code: GB71CITI18500811727788 (with respect to Portfolio No. 1); IBAN Code: GB49CITI18500811727796 (with respect to

Portfolio No. 2); IBAN Code: GB89CITI18500818432589 (with respect to Portfolio No. 3); and IBAN Code: GB67CITI18500818432597 (with respect to Portfolio No. 4), *into which* **(i)** all Eligible Investments (excluding the Eligible Investments (a) being deposit of cash with a third party which meets the requirements set forth in the definition of Eligible Investments in accordance with clause 8.4 of the Cash Administration and Agency Agreement and (b) being securities which will be deposited in the relevant Securities Account), purchased by the Cash Manager, pursuant to the Cash Administration and Agency Agreement through the amounts standing to the credit of the relevant Investment Account shall be credited each to the relevant Investment Account; **(ii)** all amounts arising from the liquidation, disposal or maturity of, and payments under the Eligible Investments (including any profit generated thereby or interest matured thereon) purchased through the amounts standing to the credit of the relevant Investment Account shall be credited each to the relevant Investment Account; and **(iii)** all amounts standing to the credit of the Collections and Recoveries Accounts, the Payments Account, the Cash Reserve Accounts, the Detrimental Reserve Account, the Single Portfolio Detrimental Reserve Accounts and the Principal Amortisation Reserve Accounts shall be credited to each Investment Account of the Relevant Portfolio; *out of which* (1) any amount invested in Eligible Investments in accordance with clause 8 of the Cash Administration and Agency Agreement; and (2) all amounts standing to the credit of such accounts shall be transferred to the Payments Account the second Business Days prior to each Payment Date in accordance with clause 8.2 of the Cash Administration and Agency Agreement.

SECURITIES ACCOUNTS

Four securities accounts (collectively the "**Securities Accounts**", and each a "**Securities Account**") to be opened subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of the notice pursuant to clause 8.1 of the Cash Administration and Agency Agreement, *into which* all Eligible Investments being securities purchased by the Cash Manager upon instruction of the Issuer, pursuant to the Cash Administration and Agency Agreement shall be deposited to each relevant Securities Account.

ORDERS OF PRIORITY

PRE-ACCELERATION ORDER OF PRIORITY

The Single Portfolio Available Funds relating to the Portfolios 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):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to

maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account the relevant Outstanding Notes Ratio of the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Back-Up Servicer Facilitator, the Back-Up Servicers, the Stichting Corporate Services Provider and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the relevant Servicer as provided under the Servicing Agreement;

Sixth, to pay to the relevant Originator any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under clause 5.3 of the Warranty and Indemnity Agreements;

Seventh, to pay (i) the Interest Amount on the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding; and (ii) the Interest Amount on the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the relevant Single Portfolio Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to credit the Relevant Cash Reserve SubAccount with the amount required, if any, such that the Relevant Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter;

Tenth, to pay the Interest Amount on the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding (*pro rata* according to the amounts then due);

Eleventh, following redemption in full of the Class A Notes, (i) to pay the relevant Single Portfolio Series M-2017 Notes Principal Payment Amount to the Class M Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding on such Payment Date;

Twelfth, to credit the Relevant Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Thirteenth, upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account;

Fourteenth (i) on any Payment Date with respect to which a First Single Portfolio Detrimental Event has occurred, to pay the relevant First Single Portfolio Detrimental Reserve Amount into the relevant Single Portfolio Detrimental Reserve Account;

Fifteenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Sixteenth, to pay to the other Originators (*pari passu* and *pro rata* according to the amounts then due) the Portfolio Difference (if any);

Seventeenth, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above)

Eighteenth, to pay any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to

clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of this Order of Priority, *pari passu* and *pro rata* according to the amounts then due, and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Nineteenth, to pay the Interest Amount on the relevant Series of Class B Notes (*pari passu* and *pro rata* according to the amounts then due);

Twentyth, to pay the Single Series Class B Notes Additional Interest Payment Amount of the relevant Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* according to the amounts then due);

Twenty-first, following full redemption of the Class A Notes and the Series M-2017 Notes (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof), or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Principal Amount Outstanding of the Class B Notes on such Payment Date;

Twenty-second, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds towards payments only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, and **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following

receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

"**Portfolio Difference**" means in respect of each Payment Date both before and after delivery of a Cross Collateral Notice or a Trigger Notice, respectively:

(i) in relation to the Portfolio No. 1 and the Portfolio No. 2, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2, and

(b) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (i)(a) be higher than (i)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (i)(b) be higher than (i)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 2.

(ii) in relation to the Portfolio No. 1 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (ii)(a) be higher than (ii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (ii)(b) be higher than (ii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3.

(iii) in relation to the Portfolio No. 2 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order

of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (iii)(a) be higher than (iii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (iii)(b) be higher than (iii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3,

(iv) in relation to the Portfolio No. 1 and the Portfolio No. 4, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(b) any amount that would have been payable in respect of the Portfolio No. 4 up to such

Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (iv)(a) be higher than (iv)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (iv)(b) be higher than (iv)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 4,

(v) in relation to the Portfolio No. 2 and the Portfolio No. 4, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(b) any amount that would have been payable in respect of the Portfolio No. 4 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a

Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (v)(a) be higher than (v)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (v)(b) be higher than (v)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 4,

(vi) in relation to the Portfolio No. 3 and the Portfolio No. 4, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(b) any amount that would have been payable in respect of the Portfolio No. 4 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3;

being clear that should (vi)(a) be higher than (vi)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 3, and that, should (vi)(b) be higher than (vi)(a), the Portfolio

Difference would be due to the Originator of the Portfolio No. 4,

in each case, in respect of each couple of Portfolios under respectively paragraphs (i), (ii), (iii), (iv), (v) and (vi) above, net of any Portfolio Difference paid and received between such couple of Portfolios in any previous Payment Date.

ACCELERATION ORDER OF PRIORITY

Following the delivery of a Trigger Notice, the Issuer 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):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account, (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Stichting Corporate Services Provider, the Paying Agents, the Cash Manager, the Irish Listing Agent, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicers (*pari passu* and *pro rata* to the extent of the respective amounts thereof) as provided under the Servicing Agreement;

Sixth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the relevant Warranty and Indemnity Agreement;

Seventh, to pay (i) the Interest Amount on the Series A-2013 Notes; and (ii) the Interest Amount on the Series A-2017 Notes *(pari passu* and *pro rata* according to the amounts then due);

Eighth, to pay the Principal Amount Outstanding on the Class A Notes to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to pay the Interest Amount on the Series M-2017 Notes (*pro rata* according to the amounts then due);

Tenth, following redemption in full of the Class A Notes, to pay the Principal Amount Outstanding on the Series M-2017 Notes to the Class M Noteholders (*pro rata* according to the amounts then due);

Eleventh, to pay to the not paid Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference (if any);

Twelfth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement and any amount due and payable by the Issuer pursuant to the relevant Warranty and Indemnity Agreement (save for amounts due and payable as restitution of indemnities paid by the Originators under the Warranty and Indemnity Agreement referred under item (*Sixth*) above);

Thirteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Fourteenth, to pay the Interest Amount on the Class B Notes (*pari passu* and *pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an

amount equal to the relevant Single Series Class B Notes Interest Amount;

Fifteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Sixteenth, following full redemption of the Class A Notes and the Series M-2017 Notes, to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Seveteenth, to pay the relevant Outstanding Notes Ratio of any surplus to the Originators including any surplus remaining on the balance of the Payments Account (*pari passu* and *pro rata* according to the amount then due).

CROSS COLLATERAL ORDER OF PRIORITY

Following the delivery of a Cross Collateral Notice (and before the delivery of a Trigger Notice), the Issuer 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):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Irish Listing Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay any fees and expenses of the Servicers as provided under the Servicing Agreement;

Sixth, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay (i) the Interest Amount on the Series A-2013 Notes; and (ii) the Interest Amount on the Series A-2017 Notes (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due) or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class A Notes on such Payment Date (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to credit *pari passu* and *pro rata* according to the amounts then due each Cash Reserve SubAccount with the amount required, if any, such that each Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter;

Tenth, to pay the Interest Amount on the Series M-2017 Notes (*pro rata* according to the amounts then due);

Eleventh, (i) to pay the Series M-2017 Notes Principal Payment Amount to the Class M Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Series M-2017 Notes on such Payment Date;

Twelfth, to credit *pari passu* and *pro rata* according to the amounts then due each Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional

Cash Reserve Amount;

Thirteenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Fourteenth, to pay to each Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference according to the amounts then due (if any);

Fifteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts the due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above);

Sixteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other item of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Seventeenth, to pay the Interest Amount on the Class B Notes (*pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Eighteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Nineteenth, following full redemption of the Class A Notes and the Series M-2017 Notes, (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof); or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class B Notes on such

Payment Date;

Twentyth, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Cash Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Issuer Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Cross Collateral Order of Priority, as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

SINGLE SERIES CLASS B NOTES INTEREST AMOUNT

Means on each Payment Date and in respect of each Series of Class B Notes, an amount equal to the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Thirteenth*) of the Acceleration Order of Priority or under items from (*First*) to (*Sixteenth*) of the Cross Collateral Order of Priority, as applicable.

TRIGGER EVENTS

If any of the following events (each a "**Trigger Event**") occurs:

(a) *Non-payment*:

(i) having enough Single Portfolio Available Funds or Issuer Available Funds available to it to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes, in each case for a period of five Business Days from the due date thereof (provided however that, for the avoidance of doubt, non payment of principal on the Notes (on any Payment Date other than the relevant Final Maturity Date), due to any of the

Servicers not having provided the Quarterly Servicing Report and in accordance with Condition 4.1 (*Pre-Acceleration Order of Priority*) or Condition 4.7 (*Cross Collateral Order of Priority*) shall not constitute a Trigger Event);

(ii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Class A Notes is lower than the relevant Interest Amount;

(iii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A Notes or the Series M-2017 Notes on the relevant Final Maturity Date; or

(iv) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), on the relevant Final Maturity Date the amount paid by the Issuer as interest on the Series M-2017 Notes is lower than the relevant Interest Amount; or

(b) *Breach of other obligations*:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes and requiring the same to be remedied; or

(c) *Breach of representation and warranties:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which

it is party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

(d) *Insolvency*:

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *accordi di ristrutturazione* each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than 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 being disputed in good faith with a reasonable prospect of success;

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer 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;

(iii) the Issuer takes any action for a re-adjustment 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 the Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the

Issuer (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 any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer.

(e) *Unlawfulness*:

It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

then the Representative of the Noteholders:

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in the case of the Trigger Events set out under points (b) and (c) above;

(iii) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to the Servicers) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with accrued interest, and that the Acceleration Order of Priority shall apply.

"**Most Senior Class of Notes**" means the Class A Notes, upon redemption in full of the Class A Notes, the Series M-2017 Notes and, upon redemption in full of the Series M-2017 Notes, the Class B Notes.

Following the delivery of a Trigger Notice, without any further action or formality, on the immediately following Payment Date, and on each Payment Date thereafter, all payments of principal, interest and other amounts due with respect to the Notes shall be made in accordance with the Acceleration Order of Priority.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios in accordance with the Conditions. Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as the Issuer Available Funds and as from the immediately subsequent Payment Date shall be applied to payments due to be made by the Issuer according to the

Acceleration Order of Priority.

In any case the Representative of the Noteholders will not be allowed to sell the Portfolios if a bankruptcy or similar proceeding has been commenced against the Issuer and in any other circumstances where such a sale would be prohibited under Italian Law.

CROSS COLLATERAL EVENTS

If any of the following events occurs (each a "**Cross Collateral Event**"):

(a) *Disequilibrium Event*

With respect to four successive Payment Dates, a Disequilibrium Event occurs;

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 5.50%;

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Principal Single Portfolio Shortfall is equal to or exceeds the Cash Reserve;

(d) *Arrear Ratio*

On any Calculation Date, the arithmetic mean of the Arrear Ratios of the four preceding Collection Periods (each calculated in the relevant Collection Date) exceeds 7%. For the avoidance of doubt the first calculation of such mean will be on February 2018;

then the Representative of the Noteholders shall serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to the Servicers) and from the immediately following Payment Date the Cross Collateral Order of Priority shall apply without any further action or formality (provided that a Trigger Notice has not been already served).

"**Default Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims which have become Defaulted Claims since the Subsequent Effective Date (calculated on the date on which the Claim is classified Defaulted Claim), and (ii) the Outstanding Principal of the Claims as at the Subsequent Effective Date.

"**Effective Date**" means in relation to the Portfolios sold on 6 June 2013 the 00.01 hours of 1 June 2013 and in relation to the Portfolios sold on 1 February 2017 the 00.01 hours of 1 January 2017.

"**Principal Single Portfolio Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Eighth*) (inclusive) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

"**Single Interest Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority and under item (*Eighth*) of the Pre-Acceleration Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

DISEQUILIBRIUM EVENT

A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to one or two or all of the others Portfolios are sufficient to reduce to zero the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding or the Single Portfolio Series M-2017 Notes Principal Amount Outstanding has already been reduced to zero on a previous Payment Date.

Upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios (unless a Cross Collateral Notice has been served on the Issuer), the Issuer shall be obliged to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has not occurred.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Disequilibrium Event has occurred and to each Portfolio not affected by a Disequilibrium Event, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority.

DETRIMENTAL EVENT

A Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) when (i) the Default Ratio, as at any

Collection Date, is higher than the Cumulative Target Default Ratio; or (ii) the aggregate balance of the Cash Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Cash Reserve SubAccounts on such Payment Date) and of the Additional Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Additional Reserve SubAccounts on such Payment Date) are less than 70% of the Global Target Cash Reserve Amounts (as defined below).

"**Cumulative Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 8.00%.

Upon the occurrence of a Detrimental Event, the Issuer shall be obliged to pay the Detrimental Reserve Amount into the Detrimental Reserve Account in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

"**Detrimental Reserve Amount**" means, with respect to any Payment Date, the difference between:

(i) the Single Portfolio Available Funds or the Issuer Available Funds (as applicable) in respect of such Payment Date; and

(ii) the aggregate of all payments to be made out of the relevant Single Portfolio Available Funds under items (*First*) to (*Fourteenth*) of the Pre-Acceleration Order of Priority, or out of the Issuer Available Funds (as applicable) under items (*First*) to (*Twelfth*) of the Cross Collateral Order of Priority on such Payment Date.

FIRST SINGLE PORTFOLIO DETRIMENTAL EVENT

A First Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Single Portfolio Default Ratio, as at any Collection Date, is higher than the Single Portfolio Target Default Ratio.

"**Single Portfolio Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 8.00%.

Upon the occurrence of a First Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

"**First Single Portfolio Detrimental Reserve Amount**" means

with respect to a Payment Date on which a First Single Portfolio Detrimental Event has occurred and to each Portfolio, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Thirteenth*) of the Pre-Acceleration Order of Priority.

"**Single Portfolio Default Ratio**" means in respect to each Portfolio, the Default Ratio of the Claims comprised in such Portfolio.

CASH RESERVE

On the Initial Issue Date the Issuer has established a reserve fund in the Banca CR Savigliano Cash Reserve SubAccount and Banca MCFVG Cash Reserve SubAccount out of the net proceeds of the issue of the Series 1 Notes.

On the Subsequent Issue Date the Issuer will establish and/or integrate, as the case may be, the reserve fund in the Cash Reserve SubAccounts out of the net proceeds of the issue of the Series 2 Notes. Specifically the Issuer on the Subsequent Issue Date shall credit (i) Euro 3,291,000.00 on the Banca CR Savigliano Cash Reserve SubAccount to fund the Banca CR Savigliano Cash Reserve (as defined below); (ii) Euro 1,826,000.00 on the Banca MCFVG Cash Reserve SubAccount to fund the Banca MCFVG Cash Reserve (as defined below); (iii) Euro 3,434,500.00 on the Banca Alpi Marittime Cash Reserve SubAccount to fund the Banca Alpi Marittime Cash Reserve (as defined below); and (iv) Euro 2,582,000.00 on the CR Cento Cash Reserve SubAccount to fund the CR Cento Cash Reserve (as defined below).

In addition, the Banca Alpi Marittime Cash Reserve SubAccount will be credited of the amount standing to the credit of the CR Saluzzo Cash Reserve Subaccount before its closure.

"**Relevant Cash Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Cash Reserve, the Banca CR Savigliano Cash Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Cash Reserve, the Banca MCFVG Cash Reserve SubAccount; (iii) in respect of Banca Alpi Marittime and the Banca Alpi Marittime Cash Reserve, the Banca Alpi Marittime Cash Reserve SubAccount; and (iv) in respect of CR Cento and the CR Cento Cash Reserve, the CR Cento Cash Reserve SubAccount.

"**Banca CR Savigliano Cash Reserve**", "**Banca MCFVG Cash Reserve**", "**Banca Alpi Marittime Cash Reserve"** and "**CR Cento Cash Reserve**" means with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, the monies standing from time to time to the credit of the Relevant Cash Reserve SubAccount at any given

date.

"**Cash Reserve**" means the aggregate amount of such monies at any given date.

"**Relevant Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento the monies standing from time to time to the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

On each Payment Date prior to the delivery of a Trigger Notice up to (but excluding) the Payment Date on which the Class A Notes are redeemed in full, the Issuer will, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), pay into the Banca CR Savigliano Cash Reserve SubAccount, the Banca MCFVG Cash Reserve SubAccount, the Banca Alpi Marittime Cash Reserve SubAccount and the CR Cento Cash Reserve SubAccount an amount to bring the balance of such account equal to the relevant Target Cash Reserve Amount (respectively, the "**Banca CR Savigliano Target Cash Reserve Amount**", the "**Banca MCFVG Target Cash Reserve Amount**", the "**Banca Alpi Marittime Target Cash Reserve Amount**" and the "**CR Cento Target Cash Reserve Amount**", each a "**Target Cash Reserve Amount**").

The "**Banca CR Savigliano Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca CR Savigliano Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

The "**Banca MCFVG Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca MCFVG Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

The "**Banca Alpi Marittime Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca Alpi Marittime Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

The "**CR Cento Target Cash Reserve Amount**" means, in

respect to any Payment Date, an amount equal to:

3. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

4. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the CR Cento Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Cash Reserve Release Conditions**" means, with reference to any Payment Date on which the Pre-Acceleration Order of Priority applies, the following events: (a) the Disequilibrium Event has not occurred; (b) the Detrimental Event has not occurred; (c) the First Single Portfolio Detrimental Event has not occurred; (d) no Trigger Event nor Cross Collateral Event has occurred; (e) the Arrear Ratio does not exceed 7% for three consecutive Payment Dates; (f) the balance of the Relevant Cash Reserve Account as of the immediately preceding Payment Date was equal to the Relevant Global Target Cash Reserve Amount.

"**Arrear Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the Outstanding Balance of all Claims which are Late Payments 90 Claims as at the immediately preceding Calculation Date, and (ii) the Outstanding Principal of the Claims (excluding the Defaulted Claims) at the immediately preceding Calculation Date.

As at the Subsequent Issue Date, each of the amounts credited to respectively the Banca CR Savigliano Cash Reserve SubAccount, the Banca MCFVG Cash Reserve SubAccount, the Banca Alpi Marittime Cash Reserve SubAccount and the CR Cento Cash Reserve SubAccount will equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding.

Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the Portfolios in

the event of a shortfall of the Single Portfolio Available Funds (being augmented through the Relevant Cash Reserve) and therefore the Relevant Cash Reserve will be included in the Single Portfolio Available Funds, to meet any shortfall in the Single Portfolio Available Funds (calculated without taking into account the amounts under item (x) of such Single Portfolio Available Funds) in respect of payments ranking as items (*First*) to (*Seventh*) of the Pre-Acceleration Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date.

Each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve, the Banca Alpi Marittime Cash Reserve and the CR Cento Cash Reserve on any Payment Date shall be utilised:

(i) *firstly*, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the relevant Single Interest Shortfall, and

(ii) *thereafter* (to the extent not utilised under item (i)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date. In particular, the Cash Reserve will be included in the Issuer Available Funds to meet any shortfall in the Issuer Available Funds (calculated without taking into account the amounts under item (xii) of such Issuer Available Funds), in respect of payments ranking as (*First*) through (*Seventh*) of the Cross Collateral Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and on any Payment Date on which the Acceleration Order of Priority applies.

If, on any Calculation Date it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each relevant amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (each relevant amount, the "**Banca CR Savigliano Cash Reserve Excess**", the "**Banca MCFVG Cash Reserve Excess**", the "**Banca Alpi Marittime Cash Reserve Excess**"

and the "**CR Cento Cash Reserve Excess**" each a "**Cash Reserve Excess**") (if any) shall, on the Payment Date on which the Class A Notes are redeemed in full, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

On any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Target Cash Reserve Amount applicable to the immediately following Payment Date (each relevant amount, the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**", the "**Banca Alpi Marittime Cash Reserve Amortisation Amount**" and the "**CR Cento Cash Reserve Amortisation Amount**" each a "**Cash Reserve Amortisation Amount**" and collectively the "**Cash Reserve Amortisation Amounts**") (if any) shall, on the immediately following Payment Date, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

ADDITIONAL CASH RESERVE

On the Initial Issue Date the Issuer has established a reserve fund in the Banca CR Savigliano Additional Reserve SubAccount and Banca MCFVG Additional Reserve SubAccount out of the net proceeds of the issue of the Series 1 Notes.

On the Subsequent Issue Date the Issuer will establish a reserve fund in the Additional Reserve SubAccounts out of the net proceeds of the issue of the Series 2 Notes. Specifically the Issuer on the Subsequent Issue Date shall credit (i) Euro 3,291,000.00 on the Banca CR Savigliano Additional Reserve SubAccount to fund the Banca CR Savigliano Additional Cash Reserve (as defined below); (ii) Euro 1,826,000.00 on the Banca MCFVG Additional Reserve SubAccount to fund the Banca MCFVG Additional Cash Reserve (as defined below); (iii) Euro 3,434,500.00 on the Banca Alpi Marittime Additional Reserve SubAccount to fund the Banca Alpi Marittime Additional Cash Reserve (as defined below) and (iv) Euro 2,582,000.00 on the CR Cento Additional Reserve SubAccount to fund the CR Cento Additional Cash Reserve (as defined below).

In addition, the Banca Alpi Marittime Additional Reserve SubAccount will be credited of the amount standing to the credit of the CR Saluzzo Additional Reserve Subaccount before its closure.

"**Relevant Additional Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Additional Cash Reserve, the Banca CR Savigliano Additional Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Additional Cash Reserve, the Banca MCFVG Additional Reserve SubAccount; (iii) in respect of Banca Alpi

Marittime and the Banca Alpi Marittime Additional Cash Reserve, the Banca Alpi Marittime Additional Reserve SubAccount and (iv) in respect of CR Cento and the CR Cento Additional Cash Reserve, the CR Cento Additional Reserve SubAccount.

"**Banca CR Savigliano Additional Cash Reserve**", "**Banca MCFVG Additional Cash Reserve**", "**Banca Alpi Marittime Additional Cash Reserve**" and "**CR Cento Additional Cash Reserve**" means with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, the monies standing from time to time to the credit of the Relevant Additional Reserve SubAccount at any given date.

"**Additional Cash Reserve**" means the aggregate amount of such monies at any given date.

"**Relevant Additional Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento the monies standing from time to time to the Relevant Additional Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

On each Payment Date prior to the delivery of a Trigger Notice up to (but excluding) the Payment Date on which the Class A Notes are redeemed in full, the Issuer will, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), pay into the Banca CR Savigliano Additional Reserve SubAccount, the Banca MCFVG Additional Reserve SubAccount, the Banca Alpi Marittime Additional Reserve SubAccount and the CR Cento Additional Reserve SubAccount an amount to bring the balance of such account equal to the relevant Target Additional Cash Reserve Amount (respectively, the "**Banca CR Savigliano Target Additional Cash Reserve Amount**", the "**Banca MCFVG Target Additional Cash Reserve Amount**", the "**Banca Alpi Marittime Target Additional Cash Reserve Amount**" and the "**CR Cento Target Additional Cash Reserve Amount**", each an "**Target Additional Cash Reserve Amount**" and collectively the "**Target Additional Cash Reserve Amounts**").

"**Banca MCFVG Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca MCFVG Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca CR Savigliano Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca CR

Savigliano Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca Alpi Marittime Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca Alpi Marittime Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**CR Cento Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the CR Cento Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Global Target Cash Reserve Amount**" means the aggregate of (i) the Target Additional Cash Reserve Amounts and (ii) the Target Cash Reserve Amounts.

"**Relevant Global Target Cash Reserve Amount**" means respectively with reference to: (a) CR Cento, the aggregate of (i) the CR Cento Target Additional Cash Reserve Amount and (ii) the CR Cento Target Cash Reserve Amount; (b) Banca CR Savigliano, the aggregate of (i) the CR Savigliano Target Additional Cash Reserve Amount and (ii) the CR Savigliano Target Cash Reserve Amount; (c) MCFVG, the aggregate of (i) the MCFVG Target Additional Cash Reserve Amount and (ii) the MCFVG Target Cash Reserve Amount; and (d) Banca Alpi Marittime, the aggregate of (i) the Banca Alpi Marittime Target Additional Cash Reserve Amount and (ii) the Banca Alpi Marittime Target Cash Reserve Amount

As at the Subsequent Issue Date, the aggregate of the amounts credited to respectively the Banca CR Savigliano Additional Reserve SubAccount, the Banca MCFVG Additional Reserve SubAccount, the Banca Alpi Marittime Additional Reserve SubAccount and the CR Cento Additional Reserve SubAccount will equal to 2% of the aggregate of the Single Portfolio Initial Class A Notes Principal Amount Outstanding.

FINAL REDEMPTION

To the extent not otherwise redeemed, the Series 1 Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2048 (the "**Series 1 Notes Final Maturity Date**").To the extent not otherwise redeemed, the Series A-2017 Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2048 (the "**Series A-2017 Notes Final Maturity Date**", the Series M-2017 Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2050 and the Series

B-2017 Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2050 (the "**Series M-2017 and the Series B-2017 Notes Final Maturity Date**" and, together with the Series 1 Notes Final Maturity Date and the Series A-2017 Notes Final Maturity Date, the "**Final Maturity Date**").

MANDATORY REDEMPTION

The Class A Notes and the Series M-2017 Notes (upon redemption in full of the Class A Notes) will be subject to mandatory redemption in full or in part (as indicated in the Conditions):

A. on any Payment Date (other than the Payment Date under item (B) below) in a maximum amount equal to their Principal Payment Amount with respect to such Payment Date;

B. on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding.

OPTIONAL REDEMPTION

The Issuer may redeem on any Payment Date falling on or after the Clean-Up Date:

(i) the Notes in whole (but not in part) at their respective Principal Amount Outstanding, together with interest accrued and unpaid thereon up to the date fixed for redemption and any amounts required under the Intercreditor Agreement to be paid in priority to or pari passu with the Notes; or

(ii) with the prior consent of the Class M Noteholders and the Class B Noteholders, the Class A Notes only (and any amounts required under the Intercreditor Agreement to be paid in priority to or pari passu with the Class A Notes); or

(iii) with the prior consent of the Class B Noteholders, the Class A Notes and the Series M-2017 Notes only (and any amounts required under the Intercreditor Agreement to be paid in priority to or pari passu with the Class A Notes and the Series M-2017 Notes).

"**Clean-Up Date**" means the Payment Date falling in November 2021.

Such Optional Redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not

subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the Notes to be redeemed and any amounts required under the Intercreditor Agreement to be paid in priority to or *pari passu* with such Notes.

REDEMPTION FOR TAXATION

If the Issuer **(1)** has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer; and **(2)** has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days' prior written notice to the Representative of the Noteholders, the Noteholders in accordance with Condition 13 (*Notices*), to the effect that the Issuer:

A. (also through the Issuer's Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable authority having jurisdiction; or

B. (also through the Issuer's Agent) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisations; and in each case will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities with respect of the Class A Notes and any amounts required under the Conditions to be paid in priority to, or *pari passu* with the Class A Notes, the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Class A Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class A Notes; (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Series M-2017 Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Series M-2017 Notes, and (iii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes in whole or in part (together with any interest accrued and unpaid thereon until the

date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes.

SALE OF THE PORTFOLIOS

In the following circumstances:

(i) in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*),

(ii) in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*),

(iii) after a Trigger Notice has been served on the Issuer pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) the Portfolios to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement. In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio if a bankruptcy or similar proceeding has been commenced against the Issuer or in any other circumstances where such sale would be prohibited under Italian law.

Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as Single Portfolio Available Funds or Issuer Available Funds, as the case may be, and as from the immediately subsequent Payment Date shall be applied to make payments due to be made by the Issuer according to the applicable Order of Priority.

In case of sale of the Portfolios, the purchase price of the Claims shall be equal to the Outstanding Balance plus interests accrued and unpaid as at such date.

If the Portfolios comprise any Defaulted Claim, the purchase price of such Claims shall be equal to their current value, as determined by one or more third parties independent from the purchaser and appointed by common consent by the Issuer and the Representative of the Noteholders.

SEGREGATION OF THE ISSUER'S RIGHTS

The Notes have the benefit of the provisions of article 3 of Law 130, pursuant to which the Issuer's Rights are 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 Issuer's Rights will be available exclusively for the purpose of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios and to the

	corporate existence and good standing of the Issuer. The Issuer's Rights may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-à-vis the Other Issuer Creditors and any such third party. Pursuant to the terms of the Intercreditor Agreement, the Issuer has granted irrevocable instructions to the Representative of the Noteholders, upon the Notes becoming due and payable following the delivering of a Trigger Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's rights, powers and discretions under the Transaction Documents and generally to take such actions 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 Issuer's Rights. Such instructions are governed by Italian law. See for further details "*Description of the other Transaction Documents*".
RATINGS	The Series A-2017 Notes are expected, on issue, to be rated AA (low)(sf) by DBRS Ratings Limited ("**DBRS**") and A(sf) by Standard & Poor's Credit Market Services Italy S.r.l. ("**S&P**"). The Series M-2017 Notes are expected, on issue, to be rated BBB (sf) by DBRS and BBB-(sf) by S&P. No rating will be assigned to the Series B-2017 Notes. ***A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.***
TAXATION	Payments under the Notes may, in certain circumstances referred to in the section headed "*Taxation*" of this Prospectus, be subject to such a withholding for or on account of tax including, without limitation, a Law 239 Deduction. In such circumstances, a Noteholder of any Class will receive interest payments amounts (if any) payable on the Notes of such Class, net of such withholding tax. Upon the occurrence of any withholding 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 Noteholder of any Class.
LISTING	Application has been made to the Irish Stock Exchange for the Series A-2017 Notes and the Series M-2017 Notes to be admitted to the Official List and trading on its regulated market. No application has been made to list the Series B-2017 Notes on the Irish Stock Exchange or on any other stock exchange.
GOVERNING LAW	The Series 2 Notes will be governed by Italian law.

PRINCIPAL PARTIES

ISSUER	**Alchera SPV S.r.l.**, a limited liability company (*società a responsabilità limitata*) incorporated under article 3 of Law 130, with paid-in share capital of Euro 10,000, registered in the Register of Companies of Milan, VAT number 08149260963, REA number MI - 2005797, enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014 with No. 35076.9, whose registered office is at Via Statuto, 10, 20121 - Milan, Italy.
THE ORIGINATORS	**Banca Cassa di Risparmio di Savigliano S.p.A.**, a bank incorporated in Italy as a *società per azioni*, with paid-in share capital of Euro 33,085,179.40, whose registered office is at Piazza del Popolo, 15 - 12038 Savigliano (CN), Italy, VAT number 00204500045, enrolled in the Companies' Register of Cuneo under number 00204500045 ("**Banca CR Savigliano**"); **Banca Mediocredito del Friuli Venezia Giulia S.p.A.**, a bank incorporated in Italy as a *società per azioni*, with paid-in share capital of Euro 112,913,040.00, whose registered office is at Via Aquileia, 1 - 33100 Udine, Italy, VAT number 00269390308, enrolled in the Companies' Register of Udine under number 00269390308 ("**Banca MCFVG**"); **Banca Alpi Marittime Credito Cooperativo Carrù Società Cooperativa per Azioni**, a bank incorporated in Italy as a *credito cooperativo*, with paid-in share capital of Euro 15,089,400.90 as at 31 December 2016, whose registered office is at Via Stazione, 10 - 12061 Carrù (CN), Italy, VAT number 00195530043, enrolled in the Companies' Register of Cuneo under number 00195530043 ("**Banca Alpi Marittime**"); **Cassa di Risparmio di Cento S.p.A.**, a bank incorporated in Italy as a società per azioni, with paid-in share capital of Euro 77,141,664.60 as at 31 December 2015, whose registered office is at Via Matteotti, 8b – 44042 Cento (FE), VAT number 01208920387, enrolled in the Companies' Register of Ferrara under number 01208920387 ("**CR Cento**" or the "**Originator**" and together with Banca CR Savigliano, Banca MCFVG and Banca Alpi Marittime, collectively the "**Originators**").
PRINCIPAL PAYING AGENT	**Citibank N.A., London Branch**, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB, United Kingdom with company number FC001835 and branch number BR001018 ("**Citibank, London Branch**"), acting in its capacity as principal paying agent, or any other person from time to time acting as principal paying agent (the "**Principal Paying Agent**").
ITALIAN ACCOUNT BANK	**Citibank N.A., Milan Branch**, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan number 600769,

	registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy ("**Citibank, Milan Branch**"), acting in its capacity as Italian account bank, or any other person from time to time acting as Italian account bank (the "**Italian Account Bank**").
LOCAL PAYING AGENT	**Citibank N.A., Milan Branch**, or any other person from time to time acting as local paying agent (in such capacity, the "**Local Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**").
ENGLISH ACCOUNT BANK, AGENT BANK and CASH MANAGER	**Citibank N.A., London Branch**, or any other person from time to time acting as English account bank (the "**English Account Bank**"), as agent bank (the "**Agent Bank**") and cash manager (the "**Cash Manager**").
REPRESENTATIVE OF THE NOTEHOLDERS	**Accounting Partners S.r.l.**, a limited liability company, VAT number 9180200017, whose registered office is at Corso Re Umberto 8 – 10121 Torino, Italy, acting also trough its operative office located in Milano, Via Statuto 13 ("**Accounting Partners**"), or any other person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders"**).
SERVICERS	**Banca CR Savigliano**, **Banca MCFVG, Banca Alpi Marittime** and **CR Cento**, or any other person from time to time acting as servicer (each of them a "**Servicer**" and collectively the "**Servicers**").
BACK-UP SERVICERS	**Banca CR Savigliano**, **Banca MCFVG, Banca Alpi Marittime** and **CR Cento**, or any other person from time to time acting as back-up servicer (each of them a "**Back-Up Servicer**" and collectively the "**Back-Up Servicers**"). (i) with respect to Banca CR Savigliano, Banca Alpi Marittime or, subordinately, Banca MCFVG or CR Cento, in accordance with the Back-up Servicing Agreement; (ii) with respect to CR Cento, Banca Alpi Marittime or, subordinately, Banca Cr Savigliano or Banca MCFVG, in accordance with the Back-up Servicing Agreement; (iii) with respect to Banca MCFVG, Banca Alpi Marittime or, subordinately, Banca CR Savigliano or CR Cento, in accordance with the Back-up Servicing Agreement; (iv) with respect to Banca Alpi Marittime, Banca CR Savigliano or, subordinately, Banca MCFVG or CR Cento, in accordance with the Back-up Servicing Agreement; or (v) the External Back-Up Servicer, or any other person from time to time acting as Back-Up Servicer. "**External Back-Up Servicer**" means the back-up servicer to be appointed pursuant to clause 9 of the Servicing Agreement and which must be an entity different from the Originators.
CORPORATE SERVICES PROVIDER	**Accounting Partners**, or any other person from time to time acting as corporate services provider (the "**Corporate Services Provider**").

STICHTING CORPORATE SERVICES PROVIDER	**Wilmington Trust SP Services (London) Limited**, a company incorporated under the laws of England and Wales, having its registered office at 3rd Floor, 1 King's Arms Yard, London EC2R 7AF, UK ("**Wilmington Trust**"), or any other person from time to time acting as stichting corporate services provider (the "**Stichting Corporate Services Provider**").
COMPUTATION AGENT	**Accounting Partners**, or any other person from time to time acting as computation agent (the "**Computation Agent**").
BACK-UP SERVICER FACILITATOR	**Accounting Partners**, or any other person from time to time acting as back-up servicer facilitator (the "**Back-Up Servicer Facilitator**").
SECURITY TRUSTEE	**Accounting Partners**, or any other person from time to time acting as security trustee (the "**Security Trustee**").
IRISH LISTING AGENT	**Matheson**, a private limited company organised under the laws of Ireland and having its registered office at 70 Sir John Rogerson's Quay, Dublin 2, or any other person from time to time acting as listing agent of the Notes in Ireland (the "**Irish Listing Agent**").
QUOTAHOLDER	**Stichting Dean**, a foundation (*Stichting*) having its registered office at Barbara Strozzilaan 101, 1083HN, Amsterdam and enrolled at the Chamber of Commerce in Amsterdam at the No. 56425015 (the "**Quotaholder**").
CO-ARRANGERS	**A&F S.r.l.**, whose registered office is at Via Statuto, 10 – 20121 Milan, Italy (the "**Co-Arranger**"); **StormHarbour Securities LLP,** whose registered office is at 10 Old Burlington Street, London W1S 3AG UK (the "**Co-Arranger**" and together with A&F S.A. the "**Co-Arrangers**").

RISK FACTORS

The following is a description of certain aspects of the issue of the Series 2 Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents. 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. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meaning in this section.

1. THE ISSUER

1.1 Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Borrowers. The Issuer is also subject to the risk of, among other things, default in payments by the Borrowers and the failure of the Servicers to collect and recover sufficient funds in respect of the Portfolios in order to enable the Issuer to discharge all amounts payable under the Series 2 Notes. These risks are mitigated by the liquidity and credit support provided by, in respect of the Series A-2017 Notes, the subordination of the Series M-2017 Notes and the Series B-2017 Notes and the Cash Reserves.

However in each case, there can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Series M-2017 Notes and the Series B-2017 Notes and the Cash Reserves (in the case of the Series A-2017 Notes) will be adequate to ensure punctual and full receipt of amounts due under the Series A-2017 Notes.

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement) and the other parties to the Transaction Documents as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

It is not certain that the Servicers will duly perform at all times their obligations under the Servicing Agreement and that a suitable alternative Servicer could be available to service the Portfolios if Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento become insolvent or their appointment under the Servicing Agreement is otherwise terminated. In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicers have been appointed before the Subsequent Issue Date and, in case, the relevant Back-Up Servicer shall service the Relevant Portfolio and assume and/or perform the duties and obligations of the relevant Servicer on the same terms as are provided for in the Servicing Agreement; however it is not certain that, in case of termination of the appointment of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento under the Servicing Agreement, the relevant Back-Up Servicer will fulfil its obligations to service the Relevant Portfolio. In addition, under the Intercreditor Agreement, the Back-Up Servicer Facilitator has been appointed prior to the Subsequent Issue Date in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the Servicing Agreement.

In some circumstances (including after service of a Trigger Notice), the Issuer could attempt to sell the Portfolios, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for asset-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for asset-

backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities.

This has had a materially 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 have been experiencing funding difficulties and 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 continue to persist, an investor in the Series 2 Notes may not be able to sell or acquire credit protection on its Series 2 Notes readily and market values of the Series 2 Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

It is not known for how long these market conditions will continue and it cannot be assured that these market conditions will not continue to occur or whether they will become more severe.

1.2 Issuer's ability to meet its obligations under the Series 2 Notes

The Issuer will not as of the Subsequent Issue Date have any significant assets other than the Portfolios and the other Issuer's Rights. The ability of the Issuer to meet its obligations in respect of the Series 2 Notes will be dependent on the extent of collections and recoveries from the Portfolios and any other amounts payable to the Issuer pursuant to the terms of the Transaction Documents to which it is a party.

There is no assurance that, over the life of the Series 2 Notes or at the redemption date of the Notes (whether on the relevant Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Series 2 Notes, or to repay the Series 2 Notes in full.

If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any other amounts due in respect of the Series 2 Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Series 2 Notes have become due and payable following the delivery 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 under the Transaction Documents.

1.3 No independent investigation in relation to the Portfolios

None of the Issuer, the Co-Arrangers nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Relevant Portfolio sold by each of the Originators to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrower.

None of the Issuer and the Co-Arrangers nor any other party to the Transaction Documents (other than the Originators) has carried out any due diligence in respect of the Loan Agreements in order to, without limitation, ascertain whether or not the Loan Agreements contain provisions limiting the transferability of the Claims.

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreement and in the Transfer Agreements. 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 Claim will be the requirement that the Originators indemnify the

Issuer for the damage deriving therefrom or repurchase the relevant Claim. See the section headed "*Description of The Warranty and Indemnity Agreement*", below. There can be no assurance that the Originators will have the financial resources to honour such obligations.

1.4 Claims of unsecured creditors of the Issuer

By operation of Law 130, the right, title and interest of the Issuer in and to the Portfolios and the other Issuer's Rights will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, from assets relating to other securitisations carried out by the Issuer pursuant to the Law 130) and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will be available on a winding up of the Issuer only to satisfy the Issuer's obligations to the Noteholders and to pay other costs of the Transaction. Amounts derived from the Portfolios and the other Issuer's Rights (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In order to ensure such segregation: (i) the Issuer is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction; and (ii) the Servicers shall be able to identify at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; (iii) the parties to the Transaction have undertaken not to credit to the Accounts amounts other than those set out in the Cash Administration and Agency Agreement.

Moreover, the provisions of article 3 of the Securitisation Law concerning the patrimonio separato are not likely to apply in circumstances where the cash-flow referred to above is commingled with the assets of a party other than the Issuer (such as, for example, the Servicers – see in this respect the section headed "*Liquidity and credit risk*"). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

It should be noted that the recent amendements made to the Law 130, provide, among others, that the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfill the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation, and to pay the expenses to be borne in connection with the securitisation. Should any insolvency or administrative proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

In addition, in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

Prospective Noteholders should be aware that, as at the date of this Prospectus, these new provisions of the Securitisation Law have not been tested in any case law nor specified in any further regulation.

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

In any case, the corporate purpose of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transaction that is not contemplated in the Transaction Documents. To the extent that the Issuer has creditors not being party to the Transaction Documents, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Securitisation, to the extent that payment of such fees, costs, expenses and taxes is not deferrable to the immediately succeeding Payment Date.

1.5 Limited enforcement rights

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Series 2 Notes (if any) is one of the duties of the Representative of the Noteholders. The Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of the Noteholders the power to resolve on the ability of any Noteholder to commence any such individual actions. Accordingly, individual Noteholders may not, without breaching the Rules of the Organisation of the Noteholders, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting of the Noteholders has approved such action in accordance with the provisions of the Rules of the Organisation of Noteholders.

Remedies available for the purpose of recovering amounts owed in respect of the Series 2 Notes shall be limited to actions in respect of the Claims, the Issuer Available Funds and the security under the Series 2 Notes (if any). In the event that the amounts recovered pursuant to such actions are insufficient, after payment of all other claims ranking in priority to or *pari passu* with amounts due under the Series 2 Notes of each Class, to pay in full all principal and interest and other amounts whatsoever due in respect of the Series A-2017 Notes, the Senior Noteholders will have no further actions available in respect of any such unpaid amounts.

1.6 Rights of set-off of Borrowers

Under general principles of Italian law, a borrower of a loan is entitled to exercise rights of set-off in respect of amounts due under such loan against any amounts payable by the originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the claims in the Official Gazette pursuant to article 58, second paragraph, of the Consolidated Banking Act and the registration of such sale with the companies' register where the Issuer is enrolled have been made. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreements; and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Borrowers shall not be entitled to exercise any set-off right against their claims against the Originators which arises after the date of such publication and registration. Under the terms of the Warranty and Indemnity Agreement, each of the Originators has undertaken to indemnify the Issuer against any right of set-off which the Borrowers may exercise vis-à-vis the Issuer with respect to the Claims.

In addition, the Italian consumer legislation set forth in the Consolidated Banking Act (i) provides for a more borrower friendly set-off ruling and (ii) attributes to the borrower the right to terminate the loan and receive back any amount paid to the lender (and to any assignee) in case of breach by the supplier of the goods purchased by the borrower out of the loan. In this respect, it should be noted that the Law 130, as recently amended, expressly provides that assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law (*data certa*) on which the relevant purchase price (even partial) has been paid. In any case, the Originators have represented under the Warranty and Indemnity Agreements that there are no Loans subject to the Italian consumer legislation and agreed to indemnify the Issuer should the Issuer experience any reduction in amounts collected or recovered in respect of the Claims as a result of the legitimate exercise by any Borrower of its right of set-off.

There can be no assurance that the Originators will have the financial resources to meet its respective obligations to indemnify the Issuer in the event that any such reduction arises. For further details, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

1.7 Servicing of the Portfolios and potential conflicts of interest

Pursuant to the Servicing Agreement and as of its date of execution, Portfolio No. 1 will be serviced by Banca CR Savigliano, Portfolio No. 2 will be serviced by Banca MCFVG, Portfolio No. 3 will be serviced by Banca Alpi Marittime and Portfolio No. 4 CR Cento. The net cash flows from the Portfolios may be affected by decisions made, actions taken and the collection procedures adopted pursuant to the provisions of the Servicing Agreement by the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement). In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicers have been appointed before the Issue Date; however it is not certain that, in case of termination of the appointment of each of Banca CR Savigliano, Banca MCFVG Banca Alpi Marittime and CR Cento under the Servicing Agreement, the relevant Back-Up Servicer will fulfil its obligations to service the Relevant Portfolio. For further details see section headed "*Description of the Servicing Agreement and the Back-Up Servicing Agreement*". In addition, under the Intercreditor Agreement, the Back-Up Servicer Facilitator has been appointed prior to the Initial Issue Date in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the Servicing Agreement. The parties to the Transaction Documents perform multiple roles within the Transaction. Accordingly, conflicts of interest may exist or may arise as a result of the parties to this Transaction: (a) having engaged or engaging in the future in transactions with other parties of the Transaction; (b) having multiple roles in this Transaction and/or (c) executing other transactions for third parties. In any case, this risk factor is mitigated by the provisions indicated in the risk factor illustrated in the following paragraph 2.9 (*The Representative of the Noteholders*).

1.8 Conflicts of Interest Involving the Stormharbour Securities LLP ("StormHarbour")

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided, or that may in the future be provided, by Stormharbour as new arranger (including its affiliates (together, the "**StormHarbour Entities**")), to the Issuer, the Originators, the Representative of the Noteholders, any of the Agent and others, as well as in connection with the investment, trading and brokerage activities of the StormHarbour Entities. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. StormHarbour will act as new Arranger to the Issuer and will be paid fees for such service from the proceeds of the Series M-2017 Notes. It is currently envisaged that StormHarbour may, upon request, privately place certain Series 2 Notes in negotiated transactions at a price to be determined at the time of sale. One or more of the StormHarbour Entities and one or more accounts or funds managed by a StormHarbour Entity (if any) may from time to time hold such Series 2 Notes for investment, trading or other purposes.

None of the StormHarbour Entities are required to own or hold any Series 2 Notes and may sell any Series 2 Notes held by them at any time. No StormHarbour Entity has done, and no StormHarbour Entity will do, any analysis of the Claims acquired or sold by the Issuer for the benefit of, or in a manner designed to further the interests of, any holder of Series 2 Notes. One or more of the StormHarbour Entities may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to any of the parties to the Transaction Documents, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of any parties to the Transaction Documents. As result of such transactions or arrangements, one or more of the StormHarbour Entities may have interests adverse to those of the Issuer and holders of the Notes. The StormHarbour Entities will not be restricted in their performance of any such services or in the types of debt or equity investments which they may make. In conducting the foregoing activities, the StormHarbour Entities will be acting for their own account or for the account of their customers and will have no obligation to act in the interest of the Issuer or any holder of the Notes. One or more of the StormHarbour Entities may:

(i) have placed or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Series A-2017 Notes or the Series M-2017 Notes; or

(ii) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the Originators.

The StormHarbour Entities may from time to time enter into financing and derivative transactions (including repurchase transactions) with third parties with respect to the Series 2 Notes, and the StormHarbour Entities in connection therewith may acquire or establish long, short or derivative financial positions with respect to the Series 2 Notes or one or more portfolios of financial assets similar to the Portfolio acquired by (or intended to be acquired by) the Issuer, including the right to exercise voting rights with respect to such Notes or other assets, and may act without regard to whether any such action might have an adverse effect on the Issuer and the holders of the Series 2 Notes. As part of their regular business, the StormHarbour Entities may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligation and financial instruments and engage in private equity investment activities. The StormHarbour Entities will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the StormHarbour Entities will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer. The StormHarbour Entities may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding the Originators or its affiliates, that is or may be material in the context of the Series 2 Notes and that is or may not be known to the general public. None of the StormHarbour Entities has any obligation, and the offering of the Series 2 Notes will not create any obligation on their part, to disclose to any purchaser of the Series 2 Notes any such relationship or information, whether or not confidential.

1.9 Further securitisations

The Issuer may, by way of a separate transaction, purchase (or finance pursuant to article 7 of the Law 130) and securitise further portfolios of monetary claims in addition to the Portfolios(each, a "**Further Securitisation**"). Before entering into any Further Securitisation, the Issuer is required to obtain the written consent of the Representative of the Noteholders and to notify DBRS of the implementation of each Further Securitisation, and to receive prior confirmation from S&P that such implementation does not adversely affect the current ratings of the Class A Notes and the Series M-2017 Notes unless the Noteholders have agreed. See Condition 3 (*Covenants*).

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction carried out by a company are segregated from all other assets of the company and from those related to each other securitisation transaction, and, therefore, 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 receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation. Accordingly, the right, title and interest of the Issuer in and to the Claims should be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to any Further Securitisation) and amounts deriving therefrom should be available on a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the payment of any amounts due and payable to the other Issuer Creditors.

Although the Law 130 provides for the assets relating to a securitisation transaction carried out by the Issuer to be segregated and separated from those of the Issuer or of other securitisation transactions carried out by the Issuer, such as any Further Securitisation, this segregation principle will not extend to the tax treatment of the Issuer and should not affect the applicable methods of calculation of the net taxable income of the Issuer.

1.10 Tax treatment of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 15 December 2015 (*Istruzioni per la redazione dei bilanci e dei rendiconti degli intermediari finanziari, degli istituti di pagamento, degli istituti di moneta elettronica, delle SGR e delle SIM*), as amended and supplemented, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolios will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. 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 transfer to the Issuer of the Portfolios. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by the Italian tax authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to Law 130 which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses.

A transfer of claims falls within the scope of VAT if it can be characterised as a supply of services rendered by the purchaser. In this respect, a transfer of claims entails a supply of services in the event and to the extent that (i) it has a "financial purpose" pursuant to Article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction) provided that it could not be qualified as credit recovery (attività di recupero crediti) subject to VAT rate of 22 per cent. As far as the "financial purpose" is concerned, it must be pointed out that the transfer of the claims related to the securitisation in question takes place in the context of a "financial transaction" because (a) the Originators transfer the claims to the Issuer in order to enable the latter to raise funds (through the issuance of Series 2 Notes collateralised by the claims) to be advanced to the Originators as transfer price of the claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims to the extent necessary to repay the principal amount of the Series 2

Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. In this respect, the transfer of claims in the context of a securitisation transaction should not be deemed as credit recovery (attività di recupero crediti) subject to VAT rate of 22 per cent., based on the clarification given by the Italian Tax Authority in Resolution No. 32/E of 11 March 2011. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been analysed by the EU Court of Justice and by Italian tax authority (Agenzia delle Entrate) in cases dealing with the VAT analysis of the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Resolution No. 32/E of 11 March 2011 issued by Agenzia delle Entrate). However it is also to be mentioned that since both factoring and securitisation transaction share similar "financial purposes", the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. According to the above-mentioned judgments and resolutions, the remuneration of the "financial transaction" executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called "Discount") as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction). In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a "financial transaction" for VAT purposes. In a judgment (Judgment of October 27, 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows "an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment". On the basis of a cross interpretation of principles embodied in Resolution No. 32/E of 2011 and EU Court of Justice C-93/10, it can be summarised that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no "financial service" for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as the one at stake, if (i) a portfolio of performing claims is not transferred either for a consideration due by the transferor to the transferee or for a discount below the face value of the claims or (ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment, the relevant transfer could be treated not as a "financial transaction" rendered by the Issuer and therefore the transaction could not qualify for VAT purposes as "operazione esente" (VAT exempt subject to VAT at the zero per cent. rate) and could qualify instead as "operazione fuori campo" (out of the scope of VAT and not subject to VAT). In this respect, if a transaction does not fall within the scope of VAT, VAT is not due and proportional registration tax will be applicable. Should for any reason the Transfer Agreements be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred claims.

Pursuant to Legislative Decree No. 141/2010 which modified article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under article 106 of the Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014. The Italian tax authority (*Agenzia delle Entrate*) has not changed its tax guidelines and the Issuer has been advised that the current tax regime has not been modified by the new regulations of Bank of Italy.

2. THE SERIES 2 NOTES

2.1 Liability under the Series 2 Notes

The Series 2 Notes are limited recourse obligations of the Issuer and amounts payable thereunder are payable solely from amounts received by the Issuer from or in respect of the Portfolios and the other Issuer's Rights and receipts under the Transaction Documents to which it is or will be a party. On the Issue Date, the Issuer will have no significant assets other than the Portfolios and the other Issuer's Rights. Although the Issuer may issue further notes subject to the terms of the Conditions and to the Agreement between the Issuer and the Quotaholder, the Noteholders will not have any recourse to the assets securing such notes. The Series 2 Notes will be obligations solely of the Issuer. In particular, the Series 2 Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Representative of the Noteholders, the Italian Account Bank, the English Account Bank, the Agent Bank, the Servicers, the Security Trustee, the Irish Listing Agent, the Stichting Corporate Services Provider, the Corporate Services Provider, the Computation Agent, the Cash Manager, the Local Paying Agent or the Principal Paying Agent. No such person accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Series 2 Notes.

2.2 Subordination

Prior to the delivery of a Trigger Notice (as defined below), with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Class A Notes will rank pari passu and without any preference or priority among themselves but in priority to the Series M-2017 Notes and the Class B Notes. The Series M-2017 Notes will rank pari passu and without any preference or priority among themselves and in priority to the Class B Notes but will be subordinated to the Class A Notes. The Class B Notes of each Series will rank pari passu and without any preference or priority among themselves but will be subordinated to the Class A Notes and the Series M-2017 Notes.

Following the delivery of a Trigger Notice with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Class A Notes will rank pari passu and without any preference or priority among themselves but in priority to the Series M-2017 Notes and the Class B Notes. The Series M-2017 Notes will rank pari passu and without any preference or priority among themselves and in priority to the Class B Notes but will be subordinated to the Class A Notes. The Class B Notes of each Series will rank pari passu and without any preference or priority among themselves but will be subordinated to the Class A Notes and the Series M-2017 Notes.

Principal on each Class of Series B-2017 Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries from the Relevant Portfolio provided that following delivery of a Cross Collateral Notice and/or delivery of a Trigger Notice, principal on all Classes of Series B-2017 Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the Relevant Portfolio. The Series B-2017 Notes shall at all times be subordinated to the Series A-2017 Notes and the Series M-2017 Notes.

No repayment of principal will be made on any Class of the Series 2 Notes until all principal due on each Class of Series 2 Notes ranking in priority thereto has been repaid.

2.3 Yield and payment considerations

The yield to maturity of the Series 2 Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Claims (including prepayments).

The yield to maturity of the Series 2 Notes may be affected by a higher than anticipated prepayment rate under the Claims.

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

2.4 Projections, forecasts and estimates

Estimates of the estimated weighted average life of the Series A-2017 Notes and the Series M-2017 Notes included herein, together with any other projections, forecasts and estimates in this Prospectus, are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results may vary from the projections, and the variations may be material. The potential noteholder is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular 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 Offering Circular.

2.5 Interest rate risk

The Claims have or may have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable under the Series A-2017 Notes and the Series M-2017 Notes and may have different fixing mechanism), whilst the Series A-2017 Notes and the Series M-2017 Notes will bear interest at a rate based on Three Month EURIBOR determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Series A-2017 Notes and the Series M-2017 Notes and on the Portfolios. As a result of such mismatch, an increase in the level of Three Month EURIBOR could adversely impact the ability of the Issuer to make payments on the Series A-2017 Notes and the Series M-2017 Notes.

2.6 Limited nature of credit ratings assigned to the Series A-2017 Notes and the Series M-2017 Notes

The credit rating assigned to (i) the Series A-2017 Notes reflects the Rating Agencies' assessment of the likelihood of timely payment of interest (pursuant to the Transaction Documents) and the ultimate payment of principal on or before the relevant Final Maturity Date, not that such repayment of principal will be paid when expected or scheduled; and (ii) the Series M-2017 Notes reflects the Rating Agencies' assessment only the ultimate repayment of principal and payment of interest on or before the relevant Final Maturity Date, not that such repayment of principal and payment of interest will be paid when expected or scheduled.

These ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolios and the availability of credit enhancement.

The ratings do not address, *inter alia*, the following:

(i) the likelihood that the principal will be redeemed on the Series A-2017 Notes and the Series M-2017 Notes, as expected, on the scheduled redemption dates;
(ii) possibility of the imposition of Italian or European withholding taxes;
(iii) the marketability of the Series A-2017 Notes and the Series M-2017 Notes, or any market price for the Series A-2017 Notes and the Series M-2017 Notes; or
(iv) whether an investment in the Series A-2017 Notes and the Series M-2017 Notes is a suitable investment for a Noteholder.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one of the Rating Agencies. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of the Series A-2017 Notes and the Series M-2017 Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Series A-2017 Notes and the Series M-2017 Notes.

The Issuer has not requested a rating of the Series A-2017 Notes and the Series M-2017 Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Series A-2017 Notes and the Series M-2017 Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Series A-2017 Notes and the Series M-2017 Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Series 2 Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 ("**CRA III**") which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under Article 8(b) of the CRA Regulation, the issuer, originator and sponsor of structured finance instruments ("**SFI**") established in the European Union (which includes the Issuer and the Originator) must jointly publish certain information about those SFI on a specified website set up by ESMA. This includes information on, *inter alia*, (i) the credit quality and performance of the underlying assets of the SFI; (ii) the structure of the securitisation transaction; (iii) the cash flows and any collateral supporting a securitisation exposure; and (iv) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. On 6 January 2015, Commission Delegated Regulation 2015/3 (the "**Regulation 2015/3**") on disclosure requirements for SFI was published in the Official Journal of the EU. The Regulation 2015/3 contains regulatory technical standards specifying:

(i) the information that the issuers, originators and sponsors must publish to comply with Article 8b of the CRA Regulation;
(ii) the frequency with which this information should be updated;
(iii) a standardised disclosure template for the disclosure of this information.

The Regulation 2015/3 will apply from 1 January 2017, with the exception of Article 6(2) of the CRA Regulation, which applies from 26 January 2015 and obliges ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017.

2.7 Suitability

Prospective investors should determine whether an investment in the Series A-2017 Notes and/or the Series M-2017 Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Series A-2017 Notes and/or the Series M-2017 Notes and to arrive at their own evaluation of the investment.

Investment in the Series A-2017 Notes and/or the Series M-2017 Notes is only suitable for investors who:

1. have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Series A-2017 Notes and/or the Series M-2017 Notes;

2. have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;

3. are capable of bearing the economical risk of an investment in the Series A-2017 Notes and/or the Series M-2017 Notes; and

4. recognise that it may not be possible to dispose of the Series A-2017 Notes and/or the Series M-2017 Notes for a substantial period of time, if at all.

Prospective investors in the Series A-2017 Notes and/or the Series M-2017 Notes should make their own independent decision whether to invest in the Series A-2017 Notes and/or the Series M-2017 Notes and whether an investment in the Series A-2017 Notes and/or the Series M-2017 Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary.

Prospective investors in the Series A-2017 Notes and/or the Series M-2017 Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originators or the Servicers or the Co-Arrangers as investment advice or as a recommendation to invest in the Series A-2017 Notes and/or the Series M-2017 Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Series A-2017 Notes and/or the Series M-2017 Notes.

No communication (written or oral) received from the Issuer, the Servicers or the Originators or the Co-Arrangers or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Series A-2017 Notes and/or the Series M-2017 Notes.

2.8 Absence of secondary market

There is not at present an active and liquid secondary market for the Series A-2017 Notes and the Series M-2017 Notes. The Series A-2017 Notes and the Series M-2017 Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Although the application has been made to the Irish Stock Exchange for the Series A-2017 Notes and the Series M-2017 Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Series A-2017 Notes and the Series M-2017 Notes will develop, or, if a secondary market does develop in respect of any of the Series A-2017 Notes and the Series M-2017 Notes that it will provide the holders of such Series A-2017 Notes and the Series M-2017 Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Series A-2017 Notes and the Series M-2017 Notes. Consequently, any purchaser of Series A-2017 Notes and the Series M-2017 Notes must be prepared to hold such Series A-2017 Notes and the Series M-2017 Notes until the final redemption or cancellation.

It is the intention of the Originators to initially use the Series A-2017 Notes as collateral in repurchase transactions and/or as collateral in connection with liquidity and/or open market operations with the European Central Bank or other qualified investors.

In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Series 2 Notes readily or at prices that will enable the Series 2 Noteholder to realise a desired yield. Illiquidity

can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Series 2 Notes by Series 2 Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Series 2 Notes.

Prospective Series 2 Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Series 2 Notes.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Series 2 Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Series 2 Notes will recover at the same time or to the same degree as such other recovering global credit market sectors. In particular, the secondary market for asset-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities. This had a materially adverse impact on the market value of the 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 have been experiencing funding difficulties and have been forced to sell residential mortgage-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 continue to persist, an investor in the Series 2 Notes may not be able to sell or acquire credit protection on its Series 2 Notes readily and market values of the Series 2 Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

2.9 The Representative of the Noteholders

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

2.10 Series A-2017 Notes as Eligible Collateral for ECB liquidity and/or open market transaction

After the Subsequent Issue Date an application may be made to a central bank in the Eurozone to record the Series A-2017 Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank (ECB) in September 2011 (*The implementation of monetary policy in the Euro area*) and in March 2013 *(Additional temporary measures relating to Eurosystem refinancing operation and eligibility of collateral*), as subsequently amended and supplemented; and in December 2014 (*Implementation of the Eurosystem monetary policy framework*), as subsequently amended and/or supplemented, for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Series A-2017 Notes for the above purpose prior to their issuance and if the Series A-2017 Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Series A-2017

Notes at any time. The assessment and/or decision as to whether the Series A-2017 Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

None of the Issuer, the Originators, the Co-Arrangers or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Series A-2017 Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Series A-2017 Notes at any time.

2.11 Withholding tax under the Series 2 Notes

Payments of interest and other proceeds under the Series 2 Notes may in certain circumstances, described in the section headed *"Taxation in the Republic of Italy"* of this Prospectus, be subject to a Law 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Series 2 Notes of any Class will receive amounts of interest payable on the Series 2 Notes net of a Law 239 Deduction. Law 239 Deduction, if applicable is levied at the rate of 26 per cent, or such lower rate as may be applicable under the relevant double taxation treaty if applicable.

In the event that any Law 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Series 2 Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders will receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

2.12 Change of law

The structure of the transaction and, *inter alia*, the issue of the Series 2 Notes and the rating assigned to the Series A-2017 Notes and the Series M-2017 Notes are based on Italian law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice will not change after the Issue Date or that any such change will not adversely impact the structure of the transaction and the treatment of the Series 2 Notes.

3. GENERAL RISKS

3.1 Loans' performance

Each Portfolio is comprised of performing mortgage and unsecured loans governed by Italian law. Each Portfolio has characteristics that show the capacity to produce funds to service payments due on the Series 2 Notes. However, there can be no guarantee that the Borrowers will not default under such Loans and that they will continue to perform their relevant payment obligations. The recovery of amounts due in relation to any defaulted claims will be subject to effectiveness of enforcement proceedings in respect of the Portfolios which, in the Republic of Italy, can take a considerable time depending on the type of action required and where such action is taken as well as depend on several other factors.

Factors which can have a significant effect on the length of the proceedings include the following: (i) certain courts may take longer than the national average to enforce the Loans and the collateral security interests related thereto; (ii) obtaining title deeds from land registries which are in the process of digitising their records can take up to 2 (two) or 3 (three) years; and (iii) further time is required for the proceedings if it is necessary first to obtain a payment injunction (*decreto ingiuntivo*) and if the Borrower raises a defence or counterclaim to the proceedings. In the Republic of Italy, it takes an average of 6 (six) to 7 (seven) years from the time lawyers commence enforcement proceedings to the time an auction date is set for the forced sale of any assets.

Recovery proceeds may also be affected by, among other things, a decline in property values. No assurance can be given that the values of the mortgaged properties have remained or will remain at the same level as on the dates of origination of the related Loans. If the commercial property market

in the Republic of Italy experiences an overall decline in property values, such a decline could, in certain circumstances, result in the value of the security created by and the collateral security interests related thereto being significantly reduced and, ultimately, may result in losses to the Noteholders.

In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "**Law No. 302**") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Offering Circular, the impact which the mentioned laws will have on the Loans comprised in the Portfolios cannot be fully assessed. See the section headed "*Selected Aspects of Italian Law*".

3.2 Risk of losses associated with Borrowers

General economic conditions and other factors have an impact on the ability of Borrowers to repay Loans. Loss of earnings, illness, divorce, decrease in turnover, increase in operating or in financial costs and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers, which may lead to a reduction in Loans payments by such Borrowers and could reduce the Issuer's ability to service payments on the Series 2 Notes.

The Loans have been entered into, *inter alia*, with Borrowers which are individuals or commercial entrepreneurs (*imprenditore che esercita un'attività commerciale*). In any case, some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") and as such may be subject to insolvency proceedings (*procedure concorsuali*) under the Bankruptcy Law.

In the event of insolvency of a Borrower (to the extent the same is subject to the Bankruptcy Law), the relevant payments or prepayments under a Loan Agreement may be declared ineffective pursuant to articles 65 or 67 of the Bankruptcy Law.

In this respect, it should be noted that the Securitisation Law, as recently amended, provides that (i) the claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by Borrowers to the Issuer in respect of the securitised Claims and (ii) prepayments made by Borrowers under securitised Claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law. For further details, please see the section headed "Selected aspects of Italian Law – The Securitisation Law".

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

According to the provision of law No. 3 of 27 January 2012 (the "**Law 3/2012**"), a debtor in a state of over indebtedness ("*stato di sovraindebitamento*") is entitled to submit to his creditors, with the assistance of a competent body ("*Occ-Organismi per la Composizione della Crisi*"), a debt restructuring arrangement (the "**Restructuring Agreement**") which shall in any case ensure the full payment of the creditors whose claims towards the relevant debtor are not subject to be attached ("*pignorati*") in accordance with article 545 of the Italian code of civil procedure.

The Law 3/2012, as amended, applies, *inter alios*, to (i) debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law; or (ii) to debtors which have not benefited of any procedure set out by Law 3/2012 in the past five years. In any case the debtors must comply with Article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

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

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

Under the approved Restructuring Agreement, which shall be binding for all of the creditors of the relevant debtor, the latter may obtain: (a) up to a one-year period moratorium for secured creditors ("*creditori privilegiati*"); (b) the suspension of all foreclosure procedures and seizures ("*sequestri conservativi*") against it; (c) that creditors will be prevented from creating pre-emption rights ("*diritti di prelazione*") on the debtor's assets; and (d) that legal interests will stop to accrue.

As a consequence of the entering into force of the Restructuring Agreement, the debtor's assets will be considered as attached, and could not be further attached by upcoming creditors.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 days from the established deadlines, or if they attempt to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

As an alternative to the procedure described hereabove, the debtors (i) in a state of over indebtedness ("*stato di sovraindebitamento*") and (ii) which have not benefited of any procedure set out by Law 3/2012 in the past five years, may request the voluntary winding up of all its assets.

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant debtor to transfer its assets to such liquidator. The appointed liquidator will then pay creditors proportionally to their claims (save for claims with pre- emption causes ("*diritti di prelazione*")). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures ("*sequestri conservativi*") on the debtor's assets will be suspended. Such procedure cannot have a duration lower than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator's assets and will be applied by the latter to pay the creditors of the relevant debtor.

Should any Borrower enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Borrower suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released.
However, given the novelty of this new legislation, the impact thereof on the cashflows deriving from the Portfolios and, as a consequence, on the amortisation of the Series 2 Notes may not be predicted as at the date of this Prospectus.

3.4 Real estate investments

A portion of the Loans are secured by real estate assets and subject to the risks inherent in investments in or secured by real property. In respect to such Loans, revaluation of the properties has been made in accordance with Italian law and the European banking practice; however, no real estate revaluation has taken place for the sole purpose of the issue of the Series 2 Notes. Such risks include adverse changes in national, regional or local economic and demographic conditions in Italy and in real estate values generally as well as in interest rates, real estate tax rates, other operating expenses, inflation and the strength or weakness of Italian national, regional and local economies, the supply of and demand for properties of the type involved, zoning laws or other governmental rules and policies

(including environmental restrictions and changes in land use) and competitive conditions (including construction of new competing properties) all of which may affect the value of the Real Estate Assets and the collections and recoveries generated by them.

The performance of investments in real estate has historically been cyclical. There is a possibility of losses with respect to the Real Estate Assets for which insurance proceeds may not be adequate or which may result from risks that are not covered by insurance. As with all properties, if reconstruction (for example, following destruction or damage by fire or flooding) or any major repair or improvement is required to be made to a Real Estate Asset, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the owner to effect such reconstruction, major repair or improvement. Any of these events would affect the amount realised with respect to the relevant portion of the Mortgage Loans, and consequently, the amount available to make payments on the Series 2 Notes.

3.5 Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*"), as amended and supplemented from time to time (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the "**Usury Thresholds**") (the last decree having been issued on 22 December 2016 and being applicable for the quarterly period from 1 January 2017 to 31 March 2017). Any provision in loan agreements imposing interest exceeding the Usury Thresholds is null and void and no interest will be due in respect of the loan pursuant to Article 1815(2) of the Italian Civil Code.

In addition, even though the applicable Usury Thresholds are not exceeded, interests and other advantages and/or remunerations might be held usurious if: (i) they are disproportionate to the sum lent (taking into account, in evaluating such condition, the specific terms and conditions of the transaction and the average rate usually applied to similar transactions); and (ii) the person who paid or accepted to pay the relevant amounts was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

On 29 December 2000, the Italian Government issued law decree No. 394 ("*Interpretazione autentica della legge 7 marzo 1996, n. 108*") (the "**Decree 394/2000**"), turned into Law No. 24 of 28 February 2001 ("*Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo 1996, n. 108, recante disposizioni in materia di usura*"), which clarified the uncertainty over the interpretation of the Usury Law and provided, inter alia, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Thresholds applicable at the time the relevant loan agreement or such other credit facility was entered into or the interest rate was agreed. Decree 394/2000 also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000. The Italian Constitutional Court (*Corte Costituzionale*) has rejected, with decision no. 29/2002 (deposited on 25th February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed upon between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, each Originator has represented and warranted to the Issuer, inter alia, that the terms and conditions of each Loan are, and the exercise by the relevant Originator of its rights thereunder is, in each case, in

compliance with all applicable laws and regulations including, without limitation, all laws and regulations relating to banking activity, *credito fondiario*, usury and personal data protection provisions in force at the time, as well as in compliance with the internal procedures from time to time adopted by each of the Originators. See the section headed "*Description of the Warranty and Indemnity Agreement*".

3.6 Insurance Policies

In addition to the Claims arising from Loan Agreements, the Originator has also transferred the benefits and rights deriving from any Real Estate Insurance Policy entered into with respect to the Claims deriving from Mortgage Loan Agreements. Please refer to the sections entitled "*Description of the Transfer Agreement*" and "*Description of the Warranty and Indemnity Agreement*".

Under the Warranty and Indemnity Agreement, the Originator has warranted that the Real Estate Insurance Policies name the Originator as the direct or indirect beneficiary of any indemnity to be paid thereunder (the "**Indemnities**"). Pursuant to the Transfer Agreement, the benefits and rights deriving from any Real Estate Insurance Policies are transferred to the Issuer.

However, there can be no guarantee that the Real Estate Insurance Policies will perform their respective obligations under the relevant Real Estate Insurance Policy.

3.7 Compounding of interest (*Anatocismo*)

According to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest can be capitalised after a period of not less than 6 (six) months provided that the capitalisation has been agreed after the date on which it has become due and payable or from the date when the relevant legal proceedings are commenced in respect of that monetary claim or receivable. According to article 1283 of the Italian civil code, such provision may be derogated from only in the event that there are recognised customary practices (*usi*) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in the Republic of Italy was a common market practice on the grounds that such practice could be characterised as a customary rule (*uso normativo*). However, according to certain judgements from Italian courts (including judgements no. 2374/99 and no. 2593/03 of the Italian Supreme Court (*Corte di Cassazione*)), such practice has been re-characterised as an agreed clause (*uso negoziale*) and, as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian civil code.

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

In the decision no. 21095/04, the Sezioni Unite of the Italian Supreme Court (*Corte di Cassazione*) have confirmed that the interpretation according to which the capitalisation of accrued interest on a quarterly basis is not to be considered as a customary rule (*uso normativo*) and have moreover expressly stated that such capitalisation is not valid even if made before the above described rulings of the Italian Supreme Court (*Corte di Cassazione*) which first stated the relevant principal in 1999. 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 residential and commercial loan may be prejudiced.

With respect to this matter, a ruling dated 29 October 2008 by the Court of Bari declared some mortgage loan agreements (executed in 1988 and 1989) that were based upon the amortisation method known as "French amortisation" (i.e. mortgage loans with fixed instalments, made up of an amount of principal (that progressively increases) and an amount of interest (that decreases as repayments are made) calculated with a compound interest formula, as partially void. In the case at hand, the technical consultancy requested by the judge showed that the instalments were calculated with a compound interest formula not expressly stated in the agreement, and that from the application of such formula the effective interest was higher than the nominal interest. The debtors were not able to realise, therefore, at the time of execution of the relevant mortgage loans, the effective high interest to be paid, as the nominal annual interest was that resulting from the agreement while the effective interest could only be inferred from time to time on the basis of the amortisation plan. Considering that the calculation of compound interest is permitted only within the limits of article 1283 of the Italian civil code, as described above (i.e. the compounding has to follow the maturation of interest and never to precede it, as occurs in such French amortisation), the judge declared that the relevant mortgage loans were partially void and recalculated the amortisation plans with reference to the applicable legal rate, so determining an interest rate lower than to that paid by the debtors.

It should be noted that paragraph 2 of Article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by article 17-bis of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Paragraph 2 of Article 120 of the Consolidated Banking Act also delegated to the CICR to establish the methods and criteria for the compounding of interest. In this respect, the CICR, pursuant to a resolution dated 3 August 2016, (the "**2016 Resolution**") has provided, *inter alia*, that: (i) interest is to be accounted separately from principal; (ii) as already provided under new Article 120 of the Consolidated Banking Act, interest becomes due from the 1st of March after the year in which it accrued. Provided that, in any case, such interest becomes payable, after a 30-day period (which begins from the day on which the relevant Borrower becomes aware of the amount to be paid) during which the Borrower could pay such interest without being in default; and (iii) the Borrower and the bank can agree in advance - in order to avoid payment of the arrears or the beginning of legal proceedings – to charge the interest directly to the relevant Borrower's account using including via an overdraft facility (with the consequent accrual of interest on the amounts used to extinguish such debt). Intermediaries shall apply 2016 Resolution, at the latest, from 1st October 2016. However, due to the recent enactment, the impact of such implementation provisions may not be predicted as at the date hereof.

Under the terms of the Warranty and Indemnity Agreement, the Originators have undertaken 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 Claims. See "*Description of the Warranty and Indemnity Agreement*".

3.8 Claw-back of the sale of the Portfolios

A transfer pursuant to the Securitisation Law may be subject to a claw-back action of such sale by a liquidator of the transferor: (i) if the sale is not undervalued, within three months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the liquidator can prove that the transferee was, or ought to have been, aware of such insolvency; or (ii) if the sale is undervalued, within six months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the transferee cannot prove that it was not, or ought not to have been, aware of such insolvency.

Accordingly, if the Originators were insolvent at the date of the execution of the relevant Transfer Agreement and the Issuer was, or ought to have been, aware of such insolvency, the relevant transfer

may, in certain circumstances, be subject to claw-back by a liquidator of the Originators. Under the Warranty and Indemnity Agreements, each of the Originators has represented that it was solvent as of the date of the transfer, and that such representations shall deemed to be repeated as of the Issue Date by the relevant Originator, and that all appropriate solvency certificates have been obtained as of the date of the transfer of the Portfolios.

3.9 The Securitisation Law

The Securitisation Law was enacted in the Republic of Italy in April 1999. As at the date of this Prospectus, only limited 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, or any other party to the Transaction Documents as at the date of this Prospectus.

On 24 December 2013, Italian Law Decree no. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") (the "**Decree 145**"), converted with amendments into Law No. 9 of 21 February 2014, came into force introducing certain amendments to the Securitisation Law. In particular, Decree 145 has provided, *inter alia*, that:

(a) the special purpose vehicles incorporated under the Securitisation Law may open segregated accounts with the servicers for the deposit of the collections received from the debtors and the other amounts paid to the special purpose vehicles under the securitisation transactions; the sums deposited into such accounts will be segregated from the assets of the servicers with which the accounts are held, as well as from those of any other person holding deposits with the servicers, and will be available only to satisfy the obligations of the special purpose vehicles *vis-à-vis* the noteholders and the other creditors in relation to the securitisation transactions. In the event that the servicers become subject to any proceeding under Title IV of the Consolidated Banking Act or any insolvency proceeding or restructuring agreement, the sums deposited into such accounts will remain outside the servicers' estate and will not be subject to suspension of payments;

(b) the servicers or the sub-servicers may open accounts with banks for the deposit of the collections received from the debtors; any action from the creditors of the servicers on the sums deposited into such accounts will be prohibited (save for the amounts in excess of those pertaining to the special purpose vehicles). In the event that the servicers become subject to any insolvency proceeding or restructuring agreement, the sums deposited on such accounts, for an amount equal to the amounts pertaining to the special purpose vehicles, will remain outside the servicer's estate and will not be subject to suspension of payments;

(c) from the date of publication of the notice of transfer of the receivables in the Official Gazette, the debtors will not be entitled to set-off any claim arisen after such date with the amounts due to the special purpose vehicle in relation to the receivables; and

(d) payments made by debtors in relation to receivables in the framework of a securitisation under the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to Article 65 of the Italian Bankruptcy Law.

Prospective Noteholders should be aware that, as at the date of this Prospectus, these provisions of Decree 145 have not been tested in any case law nor specified in any further regulation. The Issuer, therefore, may not predict their impact as at the date of this Prospectus.

In addition to that, Law Decree No. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normativa europea*") converted with amendments into Law No. 116 of 11 August 2014 (the "**Law 116/2014**") introduced certain amendments to the Securitisation Law for the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in securitisation transactions in Italy and by better clarifying certain provisions of the Securitisation Law.. For further details with respect to such amendements, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*"..

3.10 The "anti-deprivation" principle

The validity of contractual priorities of payments (such as the Priorities of Payments contemplated in this Prospectus) was challenged in the English and U.S. courts. The hearings arose due to the insolvency of a secured creditor (in that case a hedging counterparty) and considered whether such priorities of payments breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprive its creditors of an asset upon its insolvency. It was argued that, where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd 2009 EWCA Civ 1160 dismissed this argument and upheld the validity of similar priorities of payments, stating that the anti-deprivation principle was not breached by such provisions. In Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc (2011) UKSC 38, the Supreme Court of the United Kingdom unanimously upheld the decision of the Court of Appeal in Perpetual and stated that, provided that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments by the parties thereto was an essential part of the transaction understood by the parties, these provisions did not contravene the anti-deprivation principle.

In parallel proceedings, the U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Financing Inc ("**LBSF**")'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Mellon Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. The decision of the U.S. Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of the United Kingdom in the Belmont case as referred to above and there is uncertainty as to how a conflict of the type referred to above would be resolved by the courts. In February 2012, Belmont Park Investments PTY Limited and others commenced proceedings in the U.S. Bankruptcy Court in relation to LBSF seeking an order recognising and enforcing the English judgment on noteholder priority and seeking the withdrawal of the reference from the U.S. Bankruptcy Court, requesting that the complaint be heard instead by the U.S. District Court. However, bankruptcy proceedings in relation to LBSF were closed by the U.S. Bankruptcy Court in June 2013 and there has been no further action in relation to the district court proceedings. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

Additionally, there can be no assurance as to how such subordination provisions would be viewed in other jurisdictions such as the Republic of Italy or whether they would be upheld under the insolvency laws of any such relevant jurisdiction. If a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction and any relevant foreign judgement or order was recognised by the Italian courts, there can be no assurance that these actions would not adversely affect the rights of the Noteholders, the rating of the Series A-2017 Notes (if any) and the Series M-2017 Notes (if any), the market value of the Series 2 Notes and/or the ability of the Issuer to satisfy all or any of its obligations under the Series 2 Notes.

3.11 Volcker Rule

Under the Subsequent Subscription Agreement, the Issuer has represented that (i) it is not, and after giving effect to the offer and sale of the Series 2 Notes and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act, as a result of its reliance on the exemption from the definition of "investment company" set forth in Section 3(c)(7) of the Investment Company Act; and (ii) it is not, and after giving effect to the offer and sale of the Series 2 Notes and the application of the proceeds thereof as described in the Prospectus, will not be a "covered fund" within the meaning of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**") because the Issuer may rely on an exception from the "covered fund" definition provided for entities involved in the securitization of loans. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (or by 21 July 2016 in respects of investments in and relationships with covered funds that were in place prior to 31 December 2013, with the possibility of a further one-year extensions). Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Although prior to the deadlines for conformance, banking entities were or are required to make good-faith efforts to conform their activities and investments to the Volcker Rule, the general effects of the Volcker Rule remain uncertain. Any prospective investor, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

3.12 *Mutui Fondiari*

The Mortgage Loans include, *inter alia*, mortgage loans qualifying as *mutui fondiari*. In addition to the general legislation commonly applicable to mortgage lending, *mutui fondiari* are regulated by specific legislation (*credito fondiario*), which grants certain rights to the borrower and the mortgage lender which are not provided for by the general legislation. Pursuant to article 39, paragraph 5, of the Banking Act, upon repayment of each fifth of the original debt, the borrowers under *mutui fondiari* loans are entitled to a proportional reduction of any mortgage related to the loan. Accordingly, the underlying value of the mortgages comprised in the relevant Portfolio may decrease from time to time in connection with the partial repayment of the Loans. In addition, the Borrowers have the right to obtain that part of the real estate assets originally constituting security for the Loans are freed from the mortgage, it being understood that, as *mutui fondiari*, the principal amount of each Loan shall not be permitted to exceed 80 per cent. of the value of the real estate assets constituting security for such Loan.

In relation to *mutui fondiari*, the right to prepay the loan is provided for by article 40 of the Banking Act and the prepayment fee is pre-set under the relevant loan agreement.

Moreover, in relation to *mutui fondiari*, special enforcement and foreclosure provisions apply. Pursuant to article 40, paragraph 2 of the Banking Act, a mortgage lender is entitled to terminate a loan agreement and accelerate the loan (*diritto di risoluzione contrattuale*) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. For this purpose, a payment is considered delayed if it is made between 30 and 180 days after the payment due date. Accordingly, the commencement of enforcement proceedings in relation to *mutui fondiari* may take longer than usual. Article 40 of the Banking Act, therefore, prevents the Servicers from

commencing proceedings to recover amounts in relation to *mutui fondiari* until the relevant Borrowers have defaulted on at least seven payments.. For further details see the section headed "*Selected aspects of Italian law - Mutui fondiari*".

3.13 Article 120-ter of the Consolidated Banking Act

Article 120-ter of the Consolidated Banking Act provides that any provisions imposing a prepayments penalty in case of early redemption of mortgage loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities. For a description of the main terms of the article 120-ter of the Consolidated Banking Act, see section headed "*Selected aspects of Italian law –Article 120-ter of the Consolidated Banking Act*".

The Italian banking association ("**ABI**") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "**Substitutive Prepayment Penalty**") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "***Clausola di Salvaguardia***") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the *Clausola di Salvaguardia* provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Prospective Noteholders' attention is drawn to the fact that, as a result of the entry into force of the Prepayment Penalty Agreement, the rate of prepayment in respect of Mortgage Loans can be higher than the one traditionally experienced by each of the Originators for mortgage loans.

3.14 Article 120 quater of the Consolidated Banking Act

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code (*surrogato per volontà del debitore*) in the

rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (*atto di surrogazione*) to be made in the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within ten days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the Loan Agreements might materially increase; such event might therefore have an impact on the yield to maturity of the Series 2 Notes.

3.15 Convention between the Ministry of Economy and Finance, the Italian Banking Association and associations of the representative of the companies

On the 3rd of August 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies struck by the financial crisis (the "**PMI Convention**").

The Convention provides, inter alia, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on the 30th of September 2008 were solvent (*in bonis*), and (ii) at the moment of the submission of the request, had no financings classified as "restructured" (*ristrutturato*) or as "non-performing" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted within the 30th of June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies has extended the date within which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended. ABI has clarified on one hand that securitised claims have not been expressly excluded from the object of the Convention and that assigning banks have to do any reasonable effort to satisfy the requests for Suspension also in respect of the securitized claims.

On 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

On 1 July 2013, ABI and the associations of the representative of the companies signed a new further convention (the "**July 2013 PMI Convention**"). The July 2013 PMI Convention provides for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the suspension under the New PMI Convention. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested a suspension under the New PMI Convention to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above to be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

Pending the implementation of the above measures of the July 2013 PMI Convention, the date within which the request for the Suspension pursuant to the New PMI Convention could be submitted has been further extended to 30 September 2013.On 8 August 2013 further clarifications with respect to the implementation of the July 2013 PMI Convention have been issued by the ABI. In particular, ABI (*Associazione Bancaria Italiana*) has clarified that the securitised claims are not expressly excluded from the object of the July 2013 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the July 2013 PMI Convention in respect of securitised claims. In any case ABI (*Associazione Bancaria Italiana*) has further clarified that in case a suspension or extension under the July 2013 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses in relation to such bank (also considering the costs that the assigning bank would have incurred in case the suspension or extension had been granted with respect to the original loan). On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention comprises three different programs:

"*Imprese in Ripresa*" program which regards the extensions and the suspension of the loan agreement given to small and medium enterprises;

"*Imprese di Sviluppo*" program which regards the financing of new projects carried out by the small and medium enterprises; and

"*Imprese e PA*" program which regard the disinvestment of claims to be paid by the Public Administration to the small and medium enterprises

"*Imprese in Ripresa*" program allows the small and middle-sized companies to require, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long-term loans; and (ii) the extension of the final maturity of the loan agreements. In general, the loans which may benefit of the provisions of the 2015 PMI Convention are the loans which (a) were outstanding as at the date of the entering to of the 2015 PMI Convention; and (b) did not benefit from the suspension or extension of the duration in the 24-months period prior to the date of the request of suspension or extension, except for the easing of terms generally applying by operation of law.

In particular:

the suspension under the 2015 PMI Convention applies on the condition that the instalments: (A) are timely paid; or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the relevant request; and

the extension under the 2015 PMI Convention applies on the condition that such extension could not exceed three years for unsecured loans and four years for mortgage loans.

As further condition, in order to benefit either from the suspension or the extension of duration, middle-sized companies shall have, as at the date of the request, no positions which could be classified as unlikely to pay ("*inadempienze probabili*") and restructured ("*ristrutturate*"). The 2015 PMI Convention will expire on 31 December 2017, without prejudice to the rights of the parties to withdraw by 31 December of each year.

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes, the impact on the cash flows deriving from the Loans and, consequently, on the amortisation of the Series 2 Notes, cannot be predicted.

The Originators have acceded to the 2015 PMI Convention.

3.16 Recharacterisation of English Law fixed security interests

There is a possibility that an English court could find that the fixed security interests expressed to be created by the Deed of Charge governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative.

Where the Issuer is free to deal with the secured assets, or any proceeds received on realisation of the secured assets, without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, amongst other things, on whether the Security Trustee has the requisite degree of control over the Issuer's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Security Trustee in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors (if any) of the Issuer in respect of that part of the net property of the Issuer which is ring fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the Issuer may have priority over the rights of the Security Trustee to the proceeds of enforcement of such security. In addition, the expenses of an administration would also rank ahead of the claims of the Security Trustee as floating charge holder.

A receiver appointed by the Security Trustee would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Other Issuer Creditors and the Noteholders. Following the coming into force of the insolvency provisions of the Enterprise Act 2002, the only remaining categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production.

If the Security Trustee were prohibited from appointing an administrative receiver by virtue of the amendments made to the Insolvency Act 1986 by the Enterprise Act 2002, or failed to exercise its rights to appoint an administrative receiver within the relevant notice period and the Issuer were to go into administration, the expenses of the administration would also rank ahead of the claims of the Security Trustee as floating charge holder.

Furthermore, in such circumstances, the administrator would be free to dispose of floating charge (and fixed charge) assets without the leave of the court, although the Security Trustee would have the same priority in respect of the property of the company representing the proceeds of disposal of such floating charge assets, as it would have had in respect of such floating charge assets.

3.17 Warranty as to the existence of the claims

Under the Transfer Agreements and the Warranty and Indemnity Agreements, the Originators have warranted, *inter alia*, that the Claims are all existing claims and the Originators have undertaken, *inter alia*, to indemnify the Issuer for the breach of any warranties expressed under such agreements. See the section headed "*Description of the Warranty and Indemnity Agreements*".

3.18 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.

3.19 Regulatory Capital Framework and ongoing ECB comprehensive assestment

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 Series 2 Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

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 (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. 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"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage 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, in particular, the European Commission has implemented the changes through the CRD IV and the CRR (as defined below). The changes may have an impact on incentives to hold the Series 2 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 Series 2 Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15%.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Series 2 Notes and/or on incentives to hold the Series 2 Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Series 2 Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Series 2 Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or

otherwise. There can be no guarantee that the regulatory capital treatment of the Series 2 Notes for investors will not be affected by any future changes to the Basel II Framework (including the Basel III changes described above). The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework. Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Series 2 Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

3.20 Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies, inter alia, to credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the "**Relevant Institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by Legislative Decrees no. 180 and no. 181 of 16 November 2015. Recently Banca Marche S.p.A., Banca popolare dell'Etruria e del Lazio S.c., Cassa di Risparmio di Ferrara S.p.A. and Cassa di Risparmio di Chieti S.p.A. have been declared resolved (*in risoluzione*) in compliance with the Legislative Decree No. 180 and No. 181 of 16 November 2015; the impact of such recent events on the outstanding transactions conducted by such four banks is still under analysis and cannot be predicted as of the date of this Prospectus.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

3.21 Regulatory Capital Requirements

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Series 2 Notes are responsible for analysing their own regulatory position

and none of the Issuer, the Originators, or any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Series 2 Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to regulated investors (including, *inter alia*, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds, credit institutions, investment firms or other financial institutions) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

The CRR

The European Parliament and the EU Council adopted on 26 June 2013 Regulation (EU) No. 575/2013 and Directive 2013/36/EU (the so-called "**CRD IV**"). In particular, Directive 2013/36/EU governs the access to deposit-taking activities while Regulation No. 575/2013 (the "**CRR**") establishes the prudential requirements institutions need to respect. The CRD IV has replaced and re-cast, in general, with effect from 1 January 2014, Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC. In particular, pursuant to Article 163 of Directive 2013/36/EU, Directive 2006/48/EC has been repealed with effect from 1 January 2014 and references to such repealed Directive shall be construed as references to Directive 2013/36/EU and to Regulation (EU) No 575/2013 and shall be read in accordance with the correlation tables set out respectively in the abovementioned Directive and Regulation.

The main role of CRD IV and CRR is to implement in the EU the key Basel III reforms agreed in December 2010. These include, *inter alios*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements. In particular, in the context of this new European regulatory capital framework, the provisions of Article 122-*bis* of Directive 2006/48/EC, as amended by Directive 2009/111/EC have been re-casted by the new provisions of Articles 404 to 409 of CRR (which includes, *inter alios*, the extension of the applications of the requirements also to regulated investment firms). In addition, the current guidelines on the abovementioned Article 122-*bis* have been replaced by regulatory technical standards ("**RTS**") and implementing technical standards ("**ITS**") on the convergence of supervisory practices related to the implementation of additional risk weights in the case of non-compliance with the retention rules consultation paper. These RTS and ITS have been developed respectively in accordance with Article 410(2) and 410(3) of the CRR. In this respect, it has to be noted that (i) with respect to RTS, on 13 June 2014, it has been published in the Official Journal of the European Union the Commission Delegated Regulation (EU) No. 625/2014 (which has entered into force the twentieth day following the date of such publication), supplementing the CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk; and (ii) with respect to ITS, on 5 June 2014, it has been published in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 602/2014 (which has entered into force the twentieth day following the date of such publication), laying down implementing technical standards for facilitating the convergence of supervisory practices

with regard to the implementation of additional risk weights according to the CRR. No assurance can be *provided that* any changes made or that will be made in connection with CRD IV and/or CRR (including through the corresponding regulatory technical standards) will not affect the requirements applying to relevant investors.

In particular, in Europe, investors should be aware that the CRR restricts an institution (credit institution, investment firm or other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR ("**Article 405**"). In addition, Article 406 of the CRR requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each of its securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

Pursuant to Article 407 of the CRR, where an institution does not meet the requirements in Articles 405, 406 or 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (capped at 1 250%) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

It should be noted that on 30 September 2015, the European Commission published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by the Basel Committee (the "**CRR Amendment Regulation**") and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors (the "**STS Regulation**"). The STS Regulation also aims to create common foundation criteria for identifying "**STS securitisations**". There are material differences between the legislative proposals and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain. No assurance can be given that the Securitisation will be designated as an "STS securitisation" under the STS Regulation at any point in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Series 2 Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Series 2 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 Series 2 Notes in the secondary market.

The AIFM

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**") became effective. Article 17 of AIFM required the EU Commission to adopt level 2 measures similar to those set out in CRR, permitting EU managers of alternative investment funds ("**AIFMs**") to invest in securitisation transactions on behalf of the

alternative investment funds ("**AIFs**") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. Commission Delegated Regulation (EU) no. 231/2013 (the "**AIFM Level 2 Regulation**") included those level 2 measures. Although certain requirements in the AIFM Level 2 Regulation are similar to those which apply under the CRR, they are not identical. In particular, the AIFM Level 2 Regulation requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than the ones are imposed on prospective investors under the CRR. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 (five) per cent of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise. The requirements of the AIFM Level 2 Regulation apply to new securitisations issued on or after 1 January 2011.

Legislative Decree no. 44 of 4 March 2014 implementing AIFM Level 2 Regulation has been published in the Official Gazette of the Republic of Italy on 25 March 2014. Two further regulations implementing AIFM Level 2 Regulation in Italy have been published on 19 January 2015: (i) a first regulation issued by the Bank of Italy ("*Regolamento sulla gestione collettiva del risparmio*") and (ii) a second regulation issued by the Bank of Italy in conjunction with CONSOB amending the existing legislation with regard to investment intermediaries ("*Regolamento congiunto in materia di organizzazione e procedure degli intermediari del 29 ottobre 2007*") and as amended for time. These two regulations entered into force on 3 April 2015;

The Solvency II Directive

Directive 2009/138/EU (the "**Solvency II Directive**") requires the adoption by the European Commission of implementing measures that complement the high level principles set out in the Solvency II Directive. On 10 October 2014, the European Commission adopted a Delegated Act (the "**Solvency II Regulation**") which sets out, among other things, (i) under Article 254, the requirements that will need to be met by originators of asset-backed securities in order for EU insurance and reinsurance companies to be allowed to invest in such instruments (including, *inter alios*, the requirement that the originator, the sponsor or the original lender retains a material net economic interest in the underlying assets of no less than 5 (five) per cent); and (ii) under Article 256, the qualitative requirements that must be met by insurance or reinsurance companies that invest in such securities (including, *inter alios*, the requirement that insurance and reinsurance companies shall conduct adequate due diligence prior to make the investment, which shall include an assessment of the commitment of the originator, sponsor or original lender to maintain a material net economic interest securitisation of no less than 5 % on an on-going basis).

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of some investors, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be *provided that* such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Series 2 Notes. Prospective Noteholders should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to

them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Series 2 Notes.

With respect to the commitment of the Originators to retain a material net economic interest in the Securitisation in accordance with option (1)(c) of Article 405 of the CRR, option (1)(c) of Article 51 of the AIFM Level 2 Regulation and option (2)(c) of Article 254 of the Solvency II Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Articles from 405 to 410 of the CRR, please refer to section headed "*Regulatory Capital Requirements*".

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any and all relevant requirements applicable to it and none of the Issuer, the Originators, the Servicers or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes. Prospective Noteholders who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Series 2 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 Series 2 Notes in the secondary market.

3.22 Economic conditions in the Eurozone

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have intensified. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone, including, in particular, in relation to Greece. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Originators, the Servicers and/or any Borrower in respect of the Claims). Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Series 2 Notes and/or the ability of the Issuer to satisfy its obligations under the Series 2 Notes.

3.23 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.

3.24 Risk on the Italian costitution referendum

The outcome of the Italian referendum occurred on 4 December 2016 in order to revise, among other things, Title V of the Italian constitution and the overall structure of the Italian parliamentary system created political uncertainty which could adversely affect the Italian economy as a whole and have negative effects on Italian financial condition. At this stage, the impact on the Transaction is unclear and the Issuer cannot predict what impact it may have on its ability to make payments on the Series 2 Notes or on the value of the Series 2 Notes.

3.25 U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") generally impose a new reporting regime and potentially a 30.00 per cent U.S. withholding tax with respect to certain payments to certain non-U.S. financial institutions (including entities such as the Issuer) that do not (i) enter into and comply with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information about the holders of its debt or equity or (ii) comply with legislation implementing an intergovernmental agreement, if any, between the United States and the applicable residence jurisdiction (an "**IGA**"). The FATCA rules may also affect other non-U.S. entities that are not considered financial institutions for these purposes, but in this case different rules apply. The new withholding regime currently applies with respect to certain U.S. source payments, but FATCA withholding on debt obligations generating non-U.S. source interest (such as the Series A-2017 Notes and the Series M-2017 Notes) will not begin to apply until 2019. Furthermore, in accordance with a grandfathering rule, even if the payments on the Series A-2017 Notes and the Series M-2017 Notesare otherwise potentially subject to FATCA withholding, the Series A-2017 Notes and the Series M-2017 Notes, so long as they are characterised as indebtedness for U.S. federal income tax purposes, should only become subject to the FATCA regime if the Series A-2017 Notes and the Series M-2017 Notesare issued (or materially modified) after the date that is six months after the date final regulations defining the term "foreign passthru payment" are published. No such final regulations have been published yet. In particular, a FATCA withholding tax may be triggered if (i) the issuer is a foreign financial institution ("**FFI**") (as defined by FATCA), which enters into and complies with an agreement with the IRS to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the issuer a "participating FFI"), (ii) any payment by the issuer is considered to be attributable to any U.S. source "withholdable payment" to the issuer, and (iii) (a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of such issuer, or (b) any FFI through which payment on the notes or other payments are made is not a participating FFI.

The United States has entered into IGAs to implement FATCA with a number of jurisdictions. Different rules than those described above may apply if the Issuer or an investor is resident in a jurisdiction that has entered into an IGA. Italy and the United States have entered into a so-called Model 1 IGA under which information regarding certain direct and indirect holders of the Series A-2017 Notes and the Series M-2017 Notes may be provided to the Italian tax authorities, which will provide such information to the U.S. tax authorities. Under the Italian IGA, the Issuer will not be required to enter into an agreement with the IRS or withhold under FATCA from payments it makes on the Series A-2017 Notes and the Series M-2017 Notes if it complies with the terms of the Italian IGA. However if (i) the placement of the Series A-2017 Notes and the Series M-2017 Notes is not performed by a Reporting Italian Financial Institution ("**RIFI**"), or (ii) the Series A-2017 Notes and the Series M-2017 Notes are not sold by the Issuer to a RIFI, or (iii) the Series A-2017 Notes and the Series M-2017 Notes are not subscribed for by the Issuer and are held among its assets ("*mantenute nel proprio attivo dello stato patrimoniale*"), the Issuer may be required to register with the IRS and comply with legislation implemented to give effect to such IGA.

Because many aspects of the application of FATCA to the Issuer are uncertain and will have to be addressed in future legislation or regulatory guidance, it is not clear at this time how the FATCA reporting and withholding regime may affect interest, principal or other amounts due under the Series A-2017 Notes and the Series M-2017 Notes or any payment to be made by any paying agent or any

other Party to this Transaction, or what actions, if any, will be required to minimise the impact of FATCA on the Issuer and the Noteholders. No assurance can be given that the Issuer will take any actions or that, if actions are taken, they will be successful in minimising the new FATCA withholding tax. If an amount in respect of U.S. withholding tax (including under FATCA) were to be deducted or withheld from interest or principal on the Series A-2017 Notes and the Series M-2017 Notes or other payments from a Party to this Transaction as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions or any other Transaction Documents, be required to pay additional amounts as a result of the deduction or withholding of such tax.

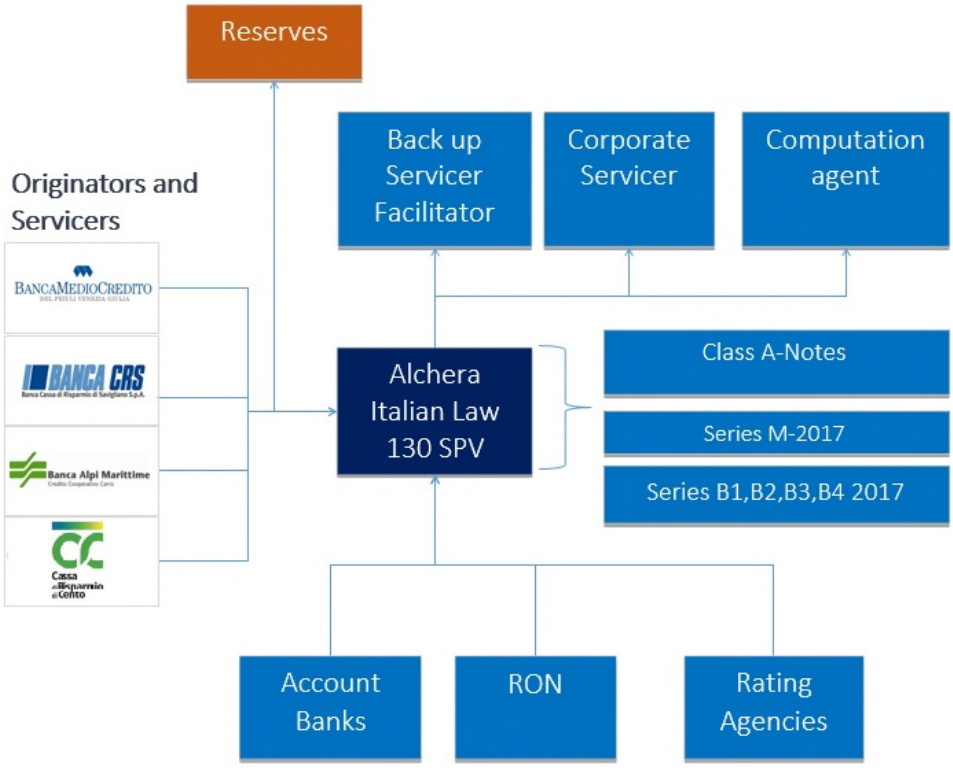
Holders of Series A-2017 Notes and the Series M-2017 Notes should consult their own tax advisors about the application of FATCA and on how the above rules may apply to, or affect payments to be received under the Series A-2017 Notes and the Series M-2017 Notes or any other payments to be made by the Parties to this Transaction.

"Brexit" risk

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**"). At this stage both the terms and the timing of the United Kingdom's exit from the European Union are unclear. Moreover, the nature of the relationship of the United Kingdom with the remaining EU member states has yet to be discussed and negotiations with the EU on the terms of the exit have yet to commence. The Issuer cannot predict what, if any, impact the UK's exit from the EU will have on the Transaction or the Issuer's ability to make payments on the Series 2 Notes.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Series A-2017 Notes and the Series M-2017 Notes but the inability of the Issuer to pay interest or repay principal on the Series A-2017 Notes and the Series M-2017 Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Series A-2017 Notes and the Series M-2017 Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Series A-2017 Notes and the Series M-2017 Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Series A-2017 Notes and the Series M-2017 Notes of any Class of interest or principal on such 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.

TRANSACTION DIAGRAM



THE PORTFOLIOS

Pursuant to the terms of three transfer agreements executed, pursuant to the Securitisation Law, on 6 June 2013 (the "**Initial Signing Date**") between the Issuer and, respectively, Banca CR Savigliano, Banca MCFVG and CR Saluzzo (each an "**Initial Transfer Agreement**" and, collectively, the "**Initial Transfer Agreements**"), the Issuer purchased the initial portfolios of monetary claims (respectively, the "**Initial Portfolios**" and the "**Initial Claims**") arising under mortgage and unsecured loans (the "**Initial Loans**").

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement (the "**CR Saluzzo Portfolio**") and resigned from all of its roles under the Transaction (the "**Resignation**"). Further to the Resignation, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, in their capacities as Originators, entered into with the Issuer on 1 February 2017 (the "**Subsequent Signing Date**") four new transfer agreements, pursuant to the Securitisation Law, (each a "**Subsequent Transfer Agreement**" and, collectively, the "**Subsequent Transfer Agreements**") in order transfer to the Issuer additional portfolios of monetary claims and other connected rights (respectively, the "**Subsequent Portfolios**" and the "**Subsequent Claims**") arising under mortgage and unsecured loans (the "**Subsequent Loans**" and, together with the Initial Loans (except for the CR Saluzzo Portfolio), the "**Loans**").

The Initial Portfolios (except for the CR Saluzzo Portfolio) and the Subsequent Portfolios are, collectively, referred to as the "**Portfolios**" and will constitue as a whole, upon issuance of the Series 2 Notes, the principal sourse of funds available to the Issuer for the payment of interest and the repayment of principal on the Series 2 Notes.

The Portfolios purchased by the Issuer comprise debt obligations arising out of loans classified as performing by the relevant Originator.

SELECTION CRITERIA OF THE CLAIMS

The Portfolios have been selected on the basis of the criteria set out below.

For the avoidance of doubt, reference below to the Initial Portfolios and the Initial Claims do not include the CR Saluzzo Portfolio and the claims deriving therefrom.

Initial Portfolios

The Initial Claims included in the Initial Portfolios as at the relevant Valuation Date, (or the different date specified in the relevant criterion) had to meet the following general criteria (the "**General Criteria**") as well as further specific objective criteria (the "**Specific Criteria**") as set out for Banca CR Savigliano and Banca MCFVG below, in order to ensure that the Initial Claims have the same legal and financial characteristics. The General Criteria are as follows:

(a) Loans denominated in Euro and deriving from Loan Agreements which contain no provisions that allow the conversion into a different currency;

(b) Loans deriving from Loan Agreements regulated by Italian law;

(c) Loans deriving from Loan Agreements in relation to which at least an Installment has been paid;

(d) Loans deriving from Loan Agreements which provide for the full reimbursement of the relevant Loan on a date not later than 31 December 2038;

(e) Loans deriving from Loan Agreements (1) which in relation to all the Installments due and payable, save for the last Installment, do not hold any due and unpaid Installment as at the Valuation Date; (2) which as at the Valuation Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days; (3) which as at the Effective Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days;

(f) Loans fully disbursed and in relation to which there is no obligation, neither it is possible, to disburse any further amount;

(g) Loans deriving from Loan Agreements whose relevant Borrowers and guarantors are (i) individuals resident in Italy or (ii) legal entities incorporated under Italian law, having their registered office in Italy;

(h) Loans deriving from Loan Agreements that if secured by Mortgages over Real Estate Assets, the relevant Real Estate Asset is located in Italy;

(i) Loans deriving from Loan Agreements whose spread, if a floating rate is applicable, is at least equal to or higher than 0.50%;

(j) Loans deriving from Loan Agreements whose Borrowers are qualified as small and medium enterprises (*piccole e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

excluding:

i. loans deriving from loan agreements pursuant to any Italian law provisions or any EU legislation allowing any contributions, profits or facilities of whatever kind including *fondi di rotazione finanziari* (the so-called "***Mutui agevolati***" and "***Mutui convenzionali***") except for (i) the State intervention provided by Law No. 662/96, as implemented by Law No. 266/97, and by D.M. No. 248/99 and (ii) by Law 949/1952, as amended and supplemented from time to time;

ii. loans deriving from loan agreements granted to persons being directors and/or employees (including without limitation executives (*dirigenti*) and officers (*funzionari*)) of the relevant Originator;

iii. loans deriving from loan agreements granted to companies being affiliates (*società participate*) of the relevant Originator;

iv. loans jointly granted to the relevant borrower by a pool of banks/credit institutions, including the Originator ("*mutui in pool*");

v. loans deriving from loan agreements which as at the Valuation Date have been classified as delinquent claims (*crediti incagliati*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vi. loans deriving from loan agreements which at any time have been classified as defaulted claims (*crediti in sofferenza*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vii. loans deriving from loan agreements whose borrowers are individuals that, in compliance with the classification criteria set forth by the determination of Bank of Italy No. 140 dated 11 February 1991 (as subsequently amended), fall within the SAE activity sector ("*settore di attività economica*") from No. 100 to No. 191 ("*Amministrazioni pubbliche*"), from No. 470 to No. 475, No. 500 ("*Istituzioni senza scopo di lucro al servizio delle famiglie*"), No. 501 ("*Enti non riconosciuti*"), No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") for the purpose of purchase their first home, No. 615 ("*altre famiglie produttrici*") for the purpose of purchase their first home and from No. 768 to No. 775 ("*Famiglie Estere*").

viii. loans deriving from loans granted to small and medium enterprises in accordance with the convention entered into between the ABI and *Cassa Depositi e Prestiti* on 17 December 2010;

ix. loans deriving from loan agreements which provide for the payment of constant instalments with variable duration.

The Specific Criteria with reference to Banca Cr Savigliano are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 28 February 2013;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 4,500,000;

(d) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(e) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(f) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant principal quota and an interest quota;

excluding:

i. loans deriving from loan agreements which provide an amortization plan, so-called bullet, according to which each installment consists of the interest quota, except for the last installment, which is composed by a principal quota and by an interest quota;

ii. loans deriving from loan agreements secured by Consorzio Credit Agri Italia;

iii. loan deriving from the loan agreement having the following number: 23/20/01168.

The Specific Criteria with reference to Banca MCFVG are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 1 month Euribor or (ii) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 6,000,000;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(d) Loans deriving from Loan Agreements which have been disbursed after 1 January 1998 and before 28 February 2013;

(e) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant principal quota and an interest quota; or

(iii) bullet amortisation plan, i.e. an amortisation plan pursuant to which the principal quota is wholly paid by means of one instalment, upon expiry of the relevant amortisation plan;

(f) Loan deriving from the Loan Agreement having the following number 20823000 and a personalised amortisation plan, pursuant to which the amount of each instalment has been determined in accordance with the pre-established criteria set out in the relevant Loan Agreement;

excluding:

i. loans deriving from loan agreements qualified as "*agricultural credit*" (*credito agrario*) pursuant to article 43 of the Consolidated Banking Act, also in case the agricultural credit transaction has been executed through an agricultural bill (*cambiale agraria*);

ii. loans deriving from loan agreements with reference to which the relevant Originator and its respective borrower have executed a moratorium agreement providing for the suspension of payment of the installments (entirely or only with respect to the principal quota) and whose principal amount outstanding is, as at the Valuation Date, higher than Euro 1,455,000.

Subsequent Portfolios

The Subsequent Claims included in the Subsequent Portfolios as at the relevant Valuation Date, (or the different date specified in the relevant criterion) must meet the following general criteria (the "**General Criteria**") as well as further specific objective criteria (the "**Specific Criteria**") as set out below for Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, in order to ensure that the Subsequent Claims have the same legal and financial characteristics. The General Criteria are as follows:

(a) Loans denominated in Euro and deriving from Loan Agreements which contain no provisions that allow the conversion into a different currency;

(b) Loans deriving from Loan Agreements regulated by Italian law;

(c) Loans deriving from Loan Agreements in relation to which at least one Installment has been paid;

(d) Loans deriving from Loan Agreements which provide for the full reimbursement of the relevant Loan on a date which falls no later than 31 December 2041;

(e) Loans deriving from Loan Agreements (1) which in relation to all the Installments due and payable, save for the last Installment, do not hold any due and unpaid Installment as at the Valuation Date; (2) which as at the Valuation Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days; (3) which as at the Effective Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days;

(f) Loans fully disbursed and in relation to which there is no obligation, neither it is possible, to disburse any further amount;

(g) Loans deriving from Loan Agreements whose relevant Borrowers and guarantors are (i) individuals resident in Italy or (ii) legal entities incorporated under Italian law, having their registered office in Italy;

(h) Loans deriving from Loan Agreements that if secured by Mortgages over Real Estate Assets, the relevant Real Estate Asset is located in Italy;

(i) Loans deriving from Loan Agreements whose spread, if a floating rate is applicable, is at least equal to or higher than 0.50%;

(j) Loans deriving from Loan Agreements whose Borrowers are qualified as small and medium enterprises (*piccole e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 9 July 2014, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

excluding:

i. loans deriving from loan agreements pursuant to any Italian law provisions or any EU legislation allowing any contributions, profits or facilities of whatever kind including *fondi di rotazione finanziari* (the so-called "***Mutui agevolati***" and "***Mutui convenzionali***") except for (i) the State intervention provided by Law No. 662/96, as implemented by Law No. 266/97, and by D.M. No. 248/99 and (ii) by Law 949/1952, as amended and supplemented from time to time;

ii. loans deriving from loan agreements granted to persons being directors and/or employees (including without limitation executives (*dirigenti*) and officers (*funzionari*)) of the Originator;

iii. loans deriving from loan agreements granted to companies being affiliates (*società participate*) of the Originator;

iv. loans jointly granted to the relevant borrower by a pool of banks/credit institutions, including the Originator ("*mutui in pool*");

v. loans deriving from loan agreements which as at the Valuation Date have been classified as delinquent claims (*crediti incagliati*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vi. loans deriving from loan agreements which at any time have been classified as defaulted claims (*crediti in sofferenza*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vii. loans deriving from loan agreements whose borrowers are individuals that, in compliance with the classification criteria set forth by the determination of Bank of Italy No. 140 dated 11 February 1991 (as subsequently amended), fall within the SAE activity sector ("*settore di attività economica*") from No. 100 to No. 191 ("*Amministrazioni pubbliche*"), from No. 470 to No. 475, No. 500 ("*Istituzioni senza scopo di lucro al servizio delle famiglie*"), No. 501 ("*Enti non riconosciuti*"), No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") for the purpose of purchase their first home, No. 615 ("*altre famiglie produttrici*") for the purpose of purchase their first home and from No. 768 to No. 775 ("*Famiglie Estere*").

viii. loans deriving from loans granted to small and medium enterprises in accordance with the convention entered into between the ABI and *Cassa Depositi e Prestiti* on 17 December 2010;

ix. loans deriving from loan agreements which provide for the payment of constant instalments with variable duration.

The Specific Criteria with reference to Banca Cr Savigliano are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 31 December 2016;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 4,500,000;

(d) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(e) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(f) Loans deriving from Loan Agreements which provide a French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota;

excluding:

i. loans deriving from loan agreements which provide a bullet amortization plan, according to which each installment consists of the interest quota, except for the last installment, which is composed by a principal quota and by an interest quota;

ii. loans deriving from loan agreements secured by *confidi* or by a guarantee issued by the European Investment Fund.

The Specific Criteria with reference to Banca MCFVG are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 3 months Euribor or 3 months Euribor or (ii) 6 months Euribor;

(b) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 7,000,000;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(d) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 31 December 2016;

(e) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a principal quota which is constant over time and an interest quota which is floating or fixed depending on the indexation of the Loan; or

(iii) bullet amortisation plan, i.e. an amortisation plan pursuant to which the principal quota is wholly paid by means of one instalment, upon expiry of the relevant amortisation plan.

The Specific Criteria with reference to Banca Alpi Marittime are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 3 months Euribor or (ii) 6 months Euribor;

(b) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 31 December 2016;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 5,500,000;

(d) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(e) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(f) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a principal quota which is constant over time and an interest quota which is floating or fixed depending on the indexation of the Loan.

excluding:

loans deriving from loan agreements which provide a bullet amortization plan according to which each instalment consists of the interest quota, except for the last instalment, which is composed by a principal quota and by an interest quota.

The Specific Criteria with reference to CR Cento are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 1 month Euribor or (ii) 3 months Euribor or (iii) 6 months Euribor;

(b) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 30 September 2016;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 5,500,000;

(d) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(e) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(g) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a principal quota which is constant over time and an interest quota which is floating or fixed depending on the indexation of the Loan.

excluding:

(i) loans deriving from loan agreements which provide a bullet amortization plan according to which each installment consists of the interest quota, except for the last installment, which is composed by a principal quota and by an interest quota;

(ii) loans deriving from loan agreements with due and unpaid installments as at the Valuation Date, regardless of any day of delay;

(iii) loans deriving from loan agreements arising from the splitting up of existing loans, in the event that there are more than a loan arising from the splitting up of the same original loan.

For the avoidance of doubt, Receivables arising from Loans with the entry code 403 are included in the inclusion Criteria under paragraph (e) above and are not included in the exclusion criteria under item (ii) above, and therefore, if they meet also all the other General Criteria and all the Specific Criteria with reference to CR Cento, they are transferred to the Issuer.

SUMMARY OF THE PORTFOLIO

All information and statistical data in the following tables are representative of the characteristics of the Portfolios as at 31 December 2016 (the "**Cut-off Date**"). Accordingly, the information in relation to the Portfolios set out below does not necessarily reflect the characteristics of the Portfolios on the Subsequent Issue Date.

Unless stated otherwise, in the following range breakdown tables the lower boundary is intended included, the upper boundary is intended excluded.

Table 1 – Breakdown by Originators

Breakdown by Originator Bank	**Number of Loans**	**Current Balance (€)**
Banca Alpi Marittime	1,383	256,251,237.58
Banca Cassa di Risparmio di Savigliano	1,658	245,458,257.28
Cassa di Risparmio di Cento	1,050	192,571,185.42
Banca Mediocredito del Friuli Venezia Giulia	309	136,165,139.75

Table 2 - Portfolio Summary

Cut-off Date	31/12/2016
Total Original Balance (€)	1,302,802,527.67
Total Current Balance (€)	830,445,820.03
Number of Loans	4,400
Number of Borrowers	3,597
Average Original Balance (€)	296,091.48
Average Current Balance (€)	188,737.69
Floating Rate Loans (€)	770,984,842.17
Fixed Rate Loans (€)	59,460,977.86
Max Current Balance (€)	6,700,000.00
WA Current Interest Rate (%)	2.61
WA Interest Rate Floor (%)	2.45
WA Current Interest Rate Margin (%)	2.39
WA Seasoning (years)	4.48
WA Remaining Term (years)	9.03
Total Collateral Original Valuation[1] (€)	1,788,494,261.45
Total Number of RE Collaterals	2,914
Average Original LTV[2]	72.8%
Average Current LTV[3]	46.4%

[1] **Collateral Types: 13, 14, 15, 18 under ECB Taxonomy**
[2] **Collateral Types: 13, 14, 15, 18 under ECB Taxonomy**
[3] **Collateral Types: 13, 14, 15, 18 under ECB Taxonomy**

Table 3 - Top 10 Borrowers

Top 10 Borrowers	Borrower Industry (NACE)	Current Balance (€)	% of Total Current Balance
1	Real estate activities	6,700,000.00	0.81%
2	Agriculture, forestry and fishing	5,013,868.98	0.60%
3	Manufacturing	5,000,000.00	0.60%
4	Manufacturing	4,500,000.00	0.54%
5	Construction	4,389,319.33	0.53%
6	Real estate activities	4,366,099.58	0.53%
7	Construction	4,357,674.56	0.52%
8	Construction	4,282,945.94	0.52%
9	Manufacturing	4,132,439.45	0.50%
10	Mining and quarrying	4,100,000.00	0.49%
Total		**46,842,347.84**	**5.64%**

Table 4 - Geography

Breakdown by Type of Geography	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
Lombardia	363,712,622.97	43.80%	2,265	51.48%
Emilia-Romagna	200,039,760.54	24.09%	929	21.11%
Piemonte	98,374,372.55	11.85%	451	10.25%
Friuli-Venezia Giulia	87,819,449.89	10.57%	222	5.05%
Liguria	36,676,581.73	4.42%	316	7.18%
Marche	29,222,611.59	3.52%	180	4.09%
Veneto	9,222,864.40	1.11%	15	0.34%
Lazio	2,258,736.28	0.27%	8	0.18%
Trentino-Alto Adige/Südtirol	1,054,161.43	0.13%	3	0.07%
Campania	1,015,052.42	0.12%	2	0.05%
Abruzzo	704,621.78	0.08%	2	0.05%
Toscana	106,872.35	0.01%	2	0.05%
Molise	99,497.90	0.01%	1	0.02%
Calabria	70,000.00	0.01%	1	0.02%
Puglia	31,316.26	0.00%	1	0.02%
Sicilia	25,950.20	0.00%	1	0.02%
Sardegna	11,347.74	0.00%	1	0.02%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 5 - Time since Origination

Breakdown by Time since Origination	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
>= 0 years - < 1 years	114,649,661.93	13.81%	771	17.52%
>= 1 years - < 2 years	154,975,113.31	18.66%	931	21.16%
>= 2 years - < 3 years	82,911,758.97	9.98%	497	11.30%
>= 3 years - < 4 years	52,994,002.24	6.38%	391	8.89%
>= 4 years - < 5 years	53,021,954.36	6.38%	398	9.05%
>= 5 years - < 6 years	92,560,154.91	11.15%	370	8.41%
>= 6 years - < 7 years	88,680,766.72	10.68%	302	6.86%
>= 7 years - < 8 years	70,628,970.10	8.50%	201	4.57%
>= 8 years - < 9 years	42,106,462.96	5.07%	164	3.73%
>= 9 years - < 10 years	29,094,058.26	3.50%	107	2.43%
>= 10 years - < 11 years	19,640,648.13	2.37%	90	2.05%
>= 11 years - < 12 years	11,790,725.47	1.42%	63	1.43%
>= 12 years - < 13 years	10,842,615.79	1.31%	59	1.34%
>= 13 years - < 14 years	3,810,150.13	0.46%	35	0.80%
>= 14 years - < 15 years	1,902,851.56	0.23%	15	0.34%
>= 15 years - < 16 years	835,925.19	0.10%	6	0.14%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 6 - Time to Maturity

Breakdown by Time to Maturity	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
>= 0 years - < 1 years	8,742,861.25	1.05%	228	5.18%
>= 1 years - < 2 years	29,020,751.65	3.49%	467	10.61%
>= 2 years - < 3 years	59,005,116.71	7.11%	576	13.09%
>= 3 years - < 4 years	70,834,380.68	8.53%	661	15.02%
>= 4 years - < 5 years	69,604,778.75	8.38%	580	13.18%
>= 5 years - < 6 years	48,133,241.99	5.80%	255	5.80%
>= 6 years - < 7 years	63,410,332.30	7.64%	226	5.14%
>= 7 years - < 8 years	50,627,768.98	6.10%	149	3.39%
>= 8 years - < 9 years	46,796,330.57	5.64%	174	3.95%
>= 9 years - < 10 years	70,950,314.57	8.54%	189	4.30%
>= 10 years - < 11 years	37,088,847.21	4.47%	88	2.00%
>= 11 years - < 12 years	31,360,648.53	3.78%	82	1.86%
>= 12 years - < 13 years	36,088,217.62	4.35%	95	2.16%
>= 13 years - < 14 years	41,977,324.36	5.05%	156	3.55%
>= 14 years - < 15 years	47,570,337.24	5.73%	108	2.45%
>= 15 years - < 16 years	21,425,815.97	2.58%	37	0.84%
>= 16 years - < 17 years	12,800,351.12	1.54%	36	0.82%
>= 17 years - < 18 years	15,755,567.28	1.90%	32	0.73%
>= 18 years - < 19 years	27,441,428.91	3.30%	64	1.45%
>= 19 years - < 20 years	24,805,855.98	2.99%	82	1.86%

>= 20 years - < 21 years	1,706,585.68	0.21%	6	0.14%
>= 21 years - < 22 years	1,086,119.28	0.13%	6	0.14%
>= 22 years - < 23 years	4,790,175.17	0.58%	16	0.36%
>= 23 years - < 24 years	1,224,692.76	0.15%	7	0.16%
>= 24 years - < 25 years	5,719,615.14	0.69%	16	0.36%
>= 25 years - < 26 years	622,153.64	0.07%	11	0.25%
>= 26 years - < 30 years	532,418.35	0.06%	1	0.02%
<0 - Loan Estinguished	1,323,788.34	0.16%	52	1.18%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 7 - Interest Payment Frequency

Breakdown by Interest Payment Frequency	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
Monthly	473,575,209.56	57.03%	3,303	75.07%
Quarterly	177,109,018.92	21.33%	505	11.48%
Semi-Annually	172,970,998.55	20.83%	571	12.98%
Other	5,623,926.95	0.68%	17	0.39%
Bullet	700,000.00	0.08%	1	0.02%
Annually	466,666.05	0.06%	3	0.07%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 8 - Amortization Type

Breakdown by Amortization Type	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
French	813,705,294.26	97.98%	4,364	99.18%
Linear	6,776,206.44	0.82%	31	0.70%
Bullet	5,575,000.00	0.67%	4	0.09%
Partial Bullet	4,389,319.33	0.53%	1	0.02%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 9 - Interest Rate Type

Breakdown by Interest Rate Type	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
Floating	764,412,660.67	92.05%	3,882	88.23%
Fixed	59,460,977.86	7.16%	471	10.70%
Floating - Capped	6,572,181.50	0.79%	47	1.07%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 10 - Interest Rate Margin

Breakdown by Interest Rate Margin	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
>= 0% - < 1%	66,778,132.38	8.04%	150	3.41%
>= 1% - < 2%	262,534,603.03	31.61%	902	20.50%
>= 2% - < 3%	222,844,679.87	26.83%	1,073	24.39%
>= 3% - < 4%	143,287,595.23	17.25%	978	22.23%
>= 4% - < 5%	98,909,521.73	11.91%	749	17.02%
>= 5% - < 6%	27,724,780.44	3.34%	421	9.57%
>= 6%	8,366,507.35	1.01%	127	2.89%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 11- Interest Rate Index

Breakdown by Interest Rate Index	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
Euribor 6M	447,722,480.36	53.91%	2,428	55.18%
Euribor 3M	322,930,218.38	38.89%	1,496	34.00%
Euribor 1M	203,604.18	0.02%	3	0.07%
Other	128,539.25	0.02%	2	0.05%
Subtotal	*770,984,842.17*	*92.84%*	*3,929*	*89.30%*
Fixed Rate Loans	59,460,977.86	7.16%	471	10.70%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 12 - Loan Size

Breakdown by Loan Size (€)	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans	WA Seasoning	WA Maturity
>= €0, - < €50,000	46,171,015.62	5.56%	2,042	46.41%	3.15	4.10
>= €50,000 - < €100,000	51,778,557.12	6.24%	713	16.20%	4.45	7.05
>= €100,000 - < €250,000	134,994,397.44	16.26%	854	19.41%	4.47	8.78
>= €250,000 - < €500,000	140,281,739.12	16.89%	394	8.95%	4.50	8.80
>= €500,000 - < €1,000,000	170,083,723.67	20.48%	236	5.36%	5.09	9.50
>= €1,000,000	287,136,387.06	34.58%	161	3.66%	4.32	10.14
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**		

Table 13 - NACE Code

Breakdown by NACE Industry Code	NACE - Category	Current Balance (€)	% of Total CB	# of Loans	% of Total Loans
Manufacturing	C	159,027,602.95	19.15%	686	15.59%
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	143,664,153.16	17.30%	973	22.11%
Real estate activities	L	143,368,479.29	17.26%	486	11.05%
Agriculture, forestry and fishing	A	99,511,278.60	11.98%	591	13.43%
Construction	F	92,999,196.82	11.20%	513	11.66%
Accommodation and food service activities	I	43,263,376.50	5.21%	334	7.59%
Electricity, gas, steam and air conditioning supply	D	31,261,224.74	3.76%	64	1.45%
Professional, scientific and technical activities	M	30,152,300.08	3.63%	189	4.30%
Transporting and storage	H	18,180,278.97	2.19%	128	2.91%
Administrative and support service activities	N	14,604,143.75	1.76%	74	1.68%
Water supply; sewerage; waste management and remediation activities	E	13,011,998.91	1.57%	33	0.75%
Financial and insurance activities	K	11,360,859.90	1.37%	71	1.61%
Human health and social work activities	Q	8,448,593.42	1.02%	50	1.14%
Other services activities	S	7,080,871.89	0.85%	105	2.39%
Information and communication	J	6,127,998.73	0.74%	61	1.39%
Mining and quarrying	B	4,932,799.56	0.59%	3	0.07%
Arts, entertainment and recreation	R	2,825,561.96	0.34%	27	0.61%
Education	P	578,150.88	0.07%	11	0.25%
Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use	T	46,949.92	0.01%	1	0.02%
Total		**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

Table 14 - Secured by Real Estate

Breakdown by Secured/Unsecured (Real Estate Collaterals)	Current Balance	% of Total CB	# of Loans	% of Total Loans
Secured	534,132,170.07	64.32%	1,768	40.18%
Unsecured	296,313,649.96	35.68%	2,632	59.82%
Total	**830,445,820.03**	**100.00%**	**4,400**	**100.00%**

THE ORIGINATORS

BANCA CASSA DI RISPARMIO DI SAVIGLIANO

History Overview

Banca Cassa di Risparmio di Savigliano S.p.A. ("**CRS**") was founded in 1858, when, through Royal Decree of 28 December, CRS was created with the main statutory mission of ""Receiving and making profitable the savings and the economies of hard-working and needy people, and to be the aid of industry, commerce and agriculture by means of advances and loans."

1991 signed an important year for CRS. With the approval of the Law n. 218/90 in 1990 (*Legge Amato*) the whole Italian banking system was modified by adding "regulations concerning the restructuring and capitalisation of credit institutions". With the Decree n. 436209 (20 December 1991), Cassa di Risparmio di Savigliano gave the new Banca Cassa di Risparmio di Savigliano S.p.A all banking activities, while receiving a controlling stake in the Bank. The natural evolution of Cassa di Risparmio di Savigliano became then the Fondazione Cassa di Risparmio di Savigliano.

In 2008 CRS celebrated its 150 years of activity.

Organisation

CRS is a limited liability company (*societá per azioni*) with a "traditional" governance, composed by: the Shareholder's Meeting, the Board of Directors, the Chariman, the Executive Committee (currently it has not been appointed), the General Managers and the Board of Auditors (Collegio Sindacale).

Board of Directors	
Francesco Osella	Chairman of the Board
Luca Crosetto	Deputy Chairman
Matteo Ambroggio	Member of the Board
Giorgio Barbolini	Member of the Board
Roberto Campagnola	Member of the Board
Stefano Cara	Member of the Board
Antonio Gai	Member of the Board
Agostino Gribaudo	Member of the Board
Elena Lorenzato	Member of the Board

Collegio Sindacale	
Lorenzo Cigna	Chairman
Manuela Dutto	Sindaco effettivo
Natalia Operti	Sindaco effettivo
Gian Matteo Rubiolo	Sindaco supplente
Enrico Rivoira	Sindaco supplente

Main Activities

Banca Cassa di Risparmio di Savigiano S.p.A. is a small sized local bank with strong social and financial interdependence in its geographic area, which is a narrow one. Its bond with the communities it serves allows CRS S.p.A. to develop a rich and deep informational advantage, which is fundamental both in the valuation process of enterprises as well as in providing personalised services and building long-term relationships with its clients.

Financial Highlights

In €000s	Voci dell'attivo	31/12/2015	31/12/2014	31/12/2013
10	Cash and Cash equivalents	40.274.011	75.999.824	79.811.454
20	Held for Trading	3.629.685	3.189.841	281.123
40	Held for Sale	382.600.401	388.542.194	376.106.383
50	Held to Maturity	7.278.052	7.295.852	2.620.314
60	Loans to banks	72.273.022	61.361.722	48.384.328
70	Loans to customers	862.132.575	851.474.118	854.920.945
110	Tangible Assets	28.485.455	27.285.870	27.412.591
120	Intangible Assets	112.327	117.485	35.682
130	Tax Assets	10.848.600	8.559.298	6.956.305
	a) current	2.096.310	559.701	771.189
	b) advances	8.752.290	7.999.597	6.185.116
	- b1) as per Legge 214/2011	7.536.664	6.697.468	5.218.781
150	Others	11.219.107	12.889.253	9.908.460
	Total Assets	**1.418.853.235**	**1.436.715.457**	**1.406.437.585**

In €000s	Voci del passivo e del patrimonio netto	31/12/2015	31/12/2014	31/12/2013
10	Bank Debt	246.369.509	281.798.224	245.801.866
20	Customer Debt	751.357.544	648.330.665	666.359.545
30	Debt Instruments	301.755.267	379.912.479	381.067.201
40	Held for Trading	167.647	130.452	149.352
60	Hedging Derivatives	1.904.039	2.517.905	1.711.467
80	Tax Liabilities	3.671.148	5.641.667	2.447.281
	a) Current		1.316.639	

	b) Deferred	3.671.148	4.325.028	2.447.281
100	Other Liabilities	24.336.689	28.399.631	27.128.127
110	TFR	4.213.109	4.522.285	4.317.356
120	Provisions	3.625.070	3.765.896	2.723.769
	a) Pensions and similar obligations	922.162	929.327	883.124
	b) other funds	2.702.908	2.836.569	1.840.645
130	Valuation Reserves	4.532.993	5.788.225	2.185.113
160	Reserves	41.480.354	39.461.329	39.385.160
180	Own funds	33.085.179	33.085.179	33.085.179
200	Net Income (Loss)	2.354.687	3.361.520	76.169
	Total Liabilities and Shareholders' Equity	**1.418.853.235**	**1.436.715.457**	**1.406.437.585**

The information contained herein relates to CR Savigliano and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by CR Savigliano, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.

History Overview

The Bank was founded with the LKaw "31 luglio 1957", n. 742 as ""*Istituto di credito per il finanziamento a medio termine alle piccole e medie industrie situate nella Provincia di Udine*". According to the Law "30 luglio 1990", n. 218 ("**Legge Amato")**, on September the 24th 1992 Mediocredito del Friuli-Venezia Giulia changed its legal status from "public-law credit institution" to limited-liability company, operating according to the Italian Law and named "Mediocredito del Friuli-Venezia Giulia S.p.A." ("**MFVG**"). With the approval of the Law Decree "1 settembre 1993" n. 385 (**TUB**) MFVG expanded its operations into short-term credit and secured credit, but still remaining a medium-term credit institution. From the end of 1994 MFVG offers financial leasing as well, especially since its merger with Friuli-Lis Spa, which is a company specialised in leasing products.

Organisation

Listed below are the members of the Board of Directors, the Executive Committee, the Board of Auditors and the General Direction.

Board of Directors	
Cristiana Compagno	Chairman of the Board
Diego Frattarolo	Deputy Chairman – Member of the Board
Glauco Battarelli	Member of the Board and of the Executive Committee
Enrica Bolognesi	Member of the Board
Enrico Bran	Member of the Board
Francesca Fantuzzi	Member of the Board
Giorgio Minute	Member of the Board
Mario Petracco	Member of the Board– Chairman of the Executive Committee
Paolo Polacco	Member of the Board– Member of the Executive Committee

Collegio Sindacale	
Giulia Nogherotto	Chairman
Paolo D'agnolo	Sindaco effettivo
Mattia Varesano	Sindaco effettivo
Alberto Cappel	Sindaco supplente

General Managers	
Mauro Tion	Deputy General Manager

Main Activities

The Bank's main activities are: i) credit intermediation and ii) facilitation services.

Credit intermediation

Legislative previsions allow MFVG to originate credit to both private and public subjects. MFVG can originate loans to private companies and retail customers, both with italian or foreign residence.

Over the years MFVG has specialised in medium and long-term financing to enterprises. Loans are originated using its own resources ("credit with own funds") or with revolving funds provided and regulated by regional laws ("credit with third-party funds"). MFVG also operates within the financial leasing field.

Facilitation services

MFVG offers complementary services usually in the context of financial transaction. Such services are mostly addressed to:

- Subsidising authorities;
- Banks;
- End users of the subsidies such as companies and private subjects;

These services are tailored to specific contracts relating to management, instruction, origination, termination, validation and accounting of subsidies. .

These services are offered by Mediocredito to other banks a by providing coordination as well as technical and operational support on the subsidized products.

MFVG works as an operational interface between the Region and the regional banks, providing companies and private subjects easy access to subsidies and allowing the Region's government to effectively provide support to the local economy. The relationships with companies and private subjects relate to providing information, assistance and advice to ease access to the different forms of subsidies until the are actually received/collected.

Financial Highlights

	31.12.2015 €000s	%	31.12.2014 €000s	%
Debt instruments	155.458	11,59	328.912	22,76
Customer Debt	796.860	59,41	785.896	54,39
Bank Debt	291.511	21,73	179.742	12,44
Open Market Transactions	87.308	6,51	132.830	9,19
Others	10.165	0,76	17.579	1,22

Total	**1.341.302**	**100,00**	**1.444.959**	**100,00**

The information contained herein relates to Banca MCFVG and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Banca MCFVG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BANCAALPI MARITTIME CREDITO COOPERATIVO CARRU' SOCIETA' COOPERATIVA PER AZIONI

History Overview

Banca Alpi Marittime credito cooperativo Carrù ("**BAM**") is based in Carrù (province of Cuneo) and operates, other than in the province of Cuneo, in Torino and Loano (SV) as well where it opened two different branches. BAM was founded in 1899: the "Cassa Rurale di prestiti e del Mandamento di Carrù" was founded by nineteen wealthy professionals and industrial entrepreneurs of Carrù, Magliano Alpi and Clavesana. The shareholder's meetings held in 1935, 1956 and 1960 deliberated name's changes into, respectively: "Cassa Rurale ed Artigiana di Carrù – Società cooperativa in nome collettivo", "Cassa Rurale ed Artigiana di Carrù – Società Cooperativa a responsabilità illimitata" and "Cassa Rurale ed Artigiana di Carrù – Società Cooperativa a responsabilità limitata".

BAM's growth was constant but slow until 1977, when its assets doubled and deposits increased significantly.

In 1998 BAM extended its geographic market to the Liguria Region, with the establishment of its branch in Loano (within Savona's province). This event, most relevant to the achievement of bigger goals, pushed the general shareholders' meeting to its name to "Banca Alpi Marittime Credito Cooperativo Carrù".

Organisation

Below are listed the members of the Board of Directors, the Board of Auditors (Collegio Sindacale) and the General Managers.

Board of Directors	
Giovanni Cappa	Chairman of the Board
Domenico Massimino	Deputy Chairman
Leonardo Garesio	Member of the Board
Giovanni Bracco	Member of the Board
Fabrizio Clerico	Member of the Board
Gian Pietro Gasco	Member of the Board
Marcello Gatto	Member of the Board
Aldo Morra	Member of the Board
Marco Canavoso	Member of the Board

Collegio Sindacale	
Edoardo Fea	Chairman
Carlo Boggetto	Sindaco effettivo
Massimo Troia	Sindaco effettivo
Patrizia Monti	Sindaco Supplente
Mauro Cardone	Sindaco Supplente

General Managers	
Carlo Giuseppe Ramondetti	General Manager
Paolo Domenico Carbone	Deputy General Manager

Main Activities

BAM offers its customers traditional banking products and services. Its offerincludes:

- Direct deposits: mainly carried out through the opening of current and savings accounts, deposits, repurchase agreements, issuance of bonds and certificates of deposit;
- Customer lending: mainly represented by overdrafts on current accounts, commercial notes, import-export loans, advances, loans related to construction of facilities or purchase of machinery, personal loans, consumer credit, loans for the purchase and the restructuring of real estate;
- Treasury and financial intermediation;
- Payment and electronic money services.

BAM operates mainly within its region, especially in Cuneo where it has 17 branches, four treasurer points (in Clavesana, Novello, Ormea and Margarita) and four ATMs (in Magliano Alpi, Lequio Tanaro, Prato Nevoso and Clavesana). It also operates in Savona with a branch in Loano and in Torino with three branches. The headquarters are in Carrù.

Financial Highlights

Volumes– €000s			
	2013	2014	Var. %*
Loans to customers	896.734	932.832	4,03%
Deposits	1.452.447	1.621.322	11,63%
Other Funding	423.391	432.783	2,22%
Total	2.772.572	2.986.937	7,73%
* YoY			

P&L – €000s				
	2013	2014	Var. %*	
Interest Margin	23.557	18.058	-23,34%	
Intermediation Margin	60.129	62.490	3,93%	
Operating Costs	-21.885	-19.308	-11,78%	
Pretax Income	13.893	14.557	4,78%	
Net Income	9.909	11.508	16,14%	
*YoY				

Regulatory Capital – €000s				
	2013	2014	2015	
CET1	75.135	97.282	122.699	
Additional Tier 1	30.350	17.660	15.231	
Regulatory Capital	105.485	114.942	137.930	
Pillar I Capital	79.200	77.550	88.164	
Pillar II Capital	6.612	3.402	10.273	

Total own funds	85.812	80.952	98.437	
Excess Capital	19.673	33.990	39.493	
Tier I capital ratio	7,59%	10,04%	11,13%	
Total capital ratio	10,66%	11,86%	12,52%	

The information contained herein relates to Banca Alpi MArittime and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Banca Alpi MArittime, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CASSA DI RISPARMIO DI CENTO S.P.A.

History Overview

Cassa di Risparmio di Cento S.p.A. ("**CR Cento**") is an Italian commercial bank based in Cento, between Bologna, Modena and Ferrara. As at 30/09/2016, it operates through 47 branches: 22 in Ferrara, 16 in Bologna and 9 in Modena.

CR Cento was founded in 1844 and opened to the public in 1859. In more than 150 years of activity it has played a fundamental role in financing the area's economic development and it has supported the growth of the local community through a variety of initiatives. After growing within the same environment which characterised most of the *Casse di Risparmio* of the north and center of Italy, in 1991 it became a limited liability company (S.p.a.) in compliance with the "Legge Amato".

CR Cento is an important credit institution on its core area, where it can pride itself with a relevant market share. Its equity capital amounts to €77,1 million, represented by 14.949.935 shares with a nominal value of €5,16 each.

Organisation

Cassa di Risparmio di Cento is a limited liability company (*societá per azioni*) which adopts a "traditional" governance structure, composed by: the general shareholder's meeting, the Board of Directors, the Chairman, the Executive Committee (which currently has not been appointed), the General Manager and the Board of Auditors (*Colleggio Sindacale)*.

Board of Directors	
Carlo Alberto Roncarati	Chairman of the Board
Mauro Manuzzi	Deputy Chairman
Vincenzo Tassinari	Member of the Board
Luigi Chiari	Member of the Board
Gianvincenzo Lucchini	Member of the Board
Nicoletta Marini	Member of the Board
Renato Santini	Member of the Board

General Manager	
Ivan Damiano	General Manager

Collegio Sindacale	
Massimo Calanchi	Chairman
Massimo Maiarelli	Sindaco effettivo
Luca Rossini	Sindaco effettivo
Carla Chiesa	Sindaco supplente
Luca Padovani	Sindaco Supplente

Main Activities

Cassa di Risparmio di Cento performs typical banking activities, in the form of collection of savings and credit origination.

In full accordance with the typical mission of a small local bank, its operations are geographically bounded and its customer segments are Retail, Small Businesses and SMEs.

In addition to loans and deposits, the spectrum of CR Cento's products includes the typical banking services related to payment systems (including debit and credit cards), investment services (mutual funds and portfolio management), as well as a growing range of insurance products.

Financial Highlights

In €000s	**30/06/2016**	**31/12/2015**	**31/12/2014**
Bank accounts	177.794	187.270	198.861
Loans to customers	1.213.601	1.202.577	1.161.614
Credit cards, personal loans and cess. del V	5.340	5.510	5.119
Other	238.575	237.157	245.445
Debt instruments	0	0	0
Non-performing exposures	183.098	181.027	167.332
Total	**1.818.408**	**1.813.541**	**1.778.371**

The information contained herein relates to CR Cento and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by CR Cento, no facts have been omitted which would render the reproduced information inaccurate or misleading.

REGULATORY CAPITAL REQUIREMENTS

General undertakings of the Originators

In the Intercreditor Agreement, each Originator has undertaken to the Issuer, the Noteholders and the Representative of the Noteholders:

(a) to retain at the Subsequent Issue Date and maintain on an ongoing basis, a material net economic interest of at least 5 (five) per cent in the Transaction (calculated for each Originator in relation to the proportion of the Claims comprised in the relevant Portfolio for which it is the originator) in accordance with option (1)(d) of Article 405 of the CRR, option (1)(d) of Article 51 of the AIFM Level 2 Regulation and option (2)(d) of Article 254 of the Solvency II Regulation or, in accordance with Article 405 of the CRR, Article 51 of the AIFM Level 2 Regulation and Article 254 of the Solvency II Regulation, any alternative permitted method to the extent that adequate disclosure on such alternative method has been given to the Noteholders. As at the Subsequent Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Series B-2017 Notes). Each of the Originators has endeavoured to always meet with the obligations under the CRR in respect of this Transaction which are from time to time imposed to them by operation of law;

(b) to disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Transaction in accordance with the option (1)(d) of Article 405 of the CRR, option (1)(d) of Article 51 of the AIFM Level 2 Regulation and option (2)(d) of Article 254 of the Solvency II Regulation and give relevant information to the Noteholders and prospective investors in this respect on a quarterly basis through the Investors Report;

(c) to ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfill their monitoring and due diligence duties under Articles 405 and 409 (inclusive) of the CRR; and

(d) to notify to the Noteholders any change to the manner in which the material net economic interest set out above is held.

In light of the above, each of the Originators has also undertaken that such information (with regard to itself and the relevant Portfolio transferred by it to the Issuer):

(a) on the Subsequent Issue Date, will be included in the following sections of this Prospectus: "*The Portfolios*", "*Risk Factors*", "*Overview of the Transaction*", "*Collection Policy and Recovery Procedures*", "*Description of the Servicing Agreement and the Back-up Servicing Agreement*", "*Description of the Warranty and Indemnity Agreements*";

(b) following the Subsequent Issue Date, on each Investors' Report Date, will be included in the Investors'Report issued by the Computation Agent which will:

1) contain, *inter alia*, (i) statistics on prepayments, Arrear Claims, Defaulted Claims, Late Payments 60 Claims and Late Payments 90 Claims; (ii) details relating to repurchases of Claims by the Servicers pursuant to the terms of the Servicing Agreement, (iii) details (provided, where relevant by the Computation Agent) with respect to the Interest Rate, the Interest Amount, the Principal Amount Outstanding of the Notes, the principal payments on the Notes and other payments made by the Issuer (iv) information on the renegotiation transactions carried out by each Servicer pursuant to the Servicing Agreement;

2) include information on the material net economic interest (of at least 5 (five) per cent) in the Transaction (calculated for each Originator with respect to the Claims comprised in the relevant Portfolio transferred by it to the Issuer) maintained by the

Originators in accordance with option (1)(d) of Article 405 of the CRR, option (1)(d) of Article 51 of the AIFM Level 2 Regulation and option (2)(d) of Article 254 of the Solvency II Regulation (or any permitted alternative method thereafter);

3) with reference to loan by loan information regarding each Loan included in the Portfolios, be made available, upon request;

4) be generally available to the Noteholders and prospective investors at the Computation Agent's web-site (currently located at www.accountingpartners.com);

(c) with reference to the further information which from time to time may be deemed necessary under Articles from 405 to 409 (inclusive) of the CRR in accordance with the market practice or any future implementing rules and not covered under points (a) and (b) above, will be provided, upon request, by each Originator.

Each of the Originators has undertaken that the material net economic interest retained by it in compliance with the above shall not be subject to any credit risk mitigation or any short positions or any other hedge in accordance with Article 405 of the CRR, Article 51 of the AIFM Level 2 Regulation and Article 254 of the Solvency II Regulation.

Delivery of information to the Computation Agent

Each Servicer has undertaken to provide the Computation Agent with the information described in paragraph (b)(1) through the relevant Quarterly Servicer's Report. It is understood that each Servicer shall take full responsibility for such information.

Each Originator has undertaken to provide the Computation Agent with the information described in paragraph (b)(1), to the extent not already included in the relevant Quarterly Servicer's Report, within 4 (four) Business Days prior to each Investors Report Date. It is understood that each Originator shall take full responsibility for such information.

Should the Computation Agent fail to receive the information set out above from each Originator by the required time, it shall in any case prepare the Investors Report pursuant to the terms of, and with the limitations of liability set forth in, the Cash Administration and Agency Agreement.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFM Level 2 Regulation (including Article 51) and Chapter VIII of the Solvency II Regulation (including Article 254) and any corresponding national measure which may be relevant and none of the Issuer, the Originators, the Servicers or any other party to the Transaction Documents makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks (including the risks arising from the current absence of any corresponding final technical standards to assist with the interpretation of the requirements), please refer to the risk factor entitled "*Regulatory capital requirements*".

THE PRINCIPAL PAYING AGENT, THE LOCAL PAYING AGENT, THE ITALIAN ACCOUNT BANK, THE AGENT BANK, THE ENGLISH ACCOUNT BANK AND THE CASH MANAGER

Citibank N.A., London Branch and **Citibank N.A., Milan Branch** shall act, respectively, as (i) Principal Paying Agent, Agent Bank, English Account Bank and Cash Manager and (ii) Local Paying Agent and Italian Account Bank pursuant to the Cash Administration and Agency Agreement.

Citibank N.A., London Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with company number FC001835 and branch number BR001018.

Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy.

Citibank, N.A. was formerly known as First National City Bank and changed its name to Citibank, N.A. in March 1976. The company was founded in 1812 and is based in Sioux Falls, South Dakota with locations and offices worldwide.
Citibank, N.A. operates as a subsidiary of Citicorp.

Citigroup, Inc. is a holding company listed on the NYSE (C) and other principal international stock exchanges, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB.

Citi, a leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

Citi currently operates, for management reporting purposes, via two primary business segments: Citicorp, representing Citi's core growth franchises and Citi Holdings, which contains businesses and assets that are not core to Citi's future. Citicorp is focused on providing best-in-class products and services to customers and leveraging Citi's unparalleled global network, including many of the world's emerging economies.

Issuer services is a part of Citi Institutional Clients Group that supports the issuance and administrative needs of global institutional clients through two key business segments, namely Agency and Trust and Depositary Receipt Services. Citi is a leading provider of transactional services with a unique blend of experience, global reach and superior services. Citi Agency and Trust business administers in excess of USD 4 trillion in fixed income and equity investments on behalf of over 2,500 clients worldwide. Citi Depositary Receipt Services supports over 250 programs and helps companies connect to new markets and raise capital worldwide.

The information contained in this paragraph relates to each of Citibank N.A., London Branch, and Citibank N.A., Milan Branch and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by each of Citibank N.A., London Branch and Citibank N.A., Milan Branch, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the

affairs of each of Citibank N.A., London Branch and Citibank N.A., Milan Branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, each of the Agents may resign its appointment upon not less than 60 (sixty) days' notice to the Issuer (with a copy, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent and the Representative of the Noteholders) provided certain conditions are met; on the other hand, the Issuer may revoke the appointment of each of the Agents, subject to the prior written approval of the Representative of the Noteholders, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders and the Security Trustee and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); *provided however that*, in any case, the revocation or the resignation shall not take effect until a successor has been duly appointed in accordance with clause 13.4 and clause 13.5 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to *Monte Titoli*.

The appointment of each of the Agents shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a 10 (ten) Business Days notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders), if **(a)** such Agent becomes incapable of acting also in light of the provision of article 2, paragraph 6, of the Securitisation Law or in relation to the Italian Account Bank and the Local Paying Agent the banking license granted to them pursuant to article 15 of the Consolidated Banking Act has been withdrawn or suspended or in case of the English Account Bank and the Principal Paying Agent the relevant banking license granted to them has been withdrawn or suspended; or **(b)** such Agent becomes unable to pay its debts as they fall due; or **(c)** such Agent takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or **(d)** an order is made or an effective resolution is passed for the winding-up of such Agent; or **(e)** any event occurs which has an analogous effect to any of the foregoing; or **(f)** with regard to (i) the English Account Bank and the Italian Account Bank and (ii) any successor of the Principal Paying Agent and the Local Paying Agent, it ceases to be an Eligible Institution; or **(g)** a just cause (*giusta causa*) occurs (including, among others, the circumstances that any withholding, or deduction for or on account of tax from any payments to be made by the Agent to the Issuer under the Transaction Documents is imposed (including for avoidance of doubt, in case of transfers of the funds between the Accounts), only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of the relevant Agent (including, without limitation, in the event that this is the consequence of the Issuer not being in the position to provide the information required by the relevant competent authority for the purpose of the FATCA Withholding Tax; and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Series 2 Notes and/or the Transaction)).

In the event that **(i)** each of Agents gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, **(ii)** the Issuer revokes the appointment of each of the Agents in accordance with clauses 13.2 and 13.3 of the Cash Administration and Agency Agreement and **(iii)** by the tenth day before the expiry of such notice, a successor Agent has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, the resigning Agent may, following the consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, to appoint, in the name of the Issuer, as its successor any reputable and experienced financial institution, which, in the case of (A) the Italian Account Bank and the English Account Bank, and (B) any successor of the Principal Paying Agent and the Local Paying Agent, shall qualify as an Eligible Institution and shall give notice of such appointment to the Issuer, the Representative of the Noteholders and the remaining Agents, whereupon the Issuer, the remaining Agents and such Successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of the Cash Administration and Agency Agreement.

Pursuant to the Cash Administration and Agency Agreement:

(i) Citibank N.A., London Branch, in its quality of Principal Paying Agent has acknowledged and agreed that, upon any revocation, resignation or termination under clauses 13.1, 13.2 and 13.3 of the Cash Administration and Agency Agreement taking effect with respect to the English Account Bank, the Principal Paying Agent shall be automatically terminated, released and discharged from its obligations under the Transaction Documents (save for the obligations set out under clause 13.6 of the Cash Administration and Agency Agreement), provided however that such termination shall not take effect until a Successor being an Eligible Institution (selected by the Representative of the Noteholders) has been duly appointed by the Issuer.

(ii) Citibank N.A., Milan Branch, in its quality of Local Paying Agent has acknowledged and agreed that, upon any revocation, resignation or termination under clauses 13.1, 13.2 and 13.3 of the Cash Administration and Agency Agreement taking effect with respect to the Italian Account Bank, the Local Paying Agent shall be automatically terminated, released and discharged from its obligations under the Transaction Documents (save for the obligations set out under clause 13.6 of the Cash Administration and Agency Agreement), provided however that such termination shall not take effect until a Successor being an Eligible Institution (selected by the Representative of the Noteholders) has been duly appointed by the Issuer.

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

THE COMPUTATION AGENT AND THE BACK-UP SERVICER FACILITATOR

Accounting Partners S.r.l. ("**Accounting Partners**") is a company incorporated in Italy specialized in providing services in the securitisation sector, particularly in the accounting management of SPVs (Corporate Administrator) and various agency roles within securitisation transactions (Calculation Agent, Representative of Noteholders). Accounting Partners manages today more than 20 securitisation SPVs with portfolio across a wide range of asset classes (mortgage loans, consumer loans, leasing and trade receivables).

Accounting Partners also provides outsourced administrative, accounting and back office services to financial intermediaries both during the start-up phase and during later phases of their development. The firm registered offices are located in Corso Re Umberto, 8 and also operate through the office located at Via Statuto, 10 in Milan. Accounting Partners is a member firm of AFIN.

The information contained herein relates to and has been obtained from Accounting Partners. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Accounting Partners, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Accounting Partners since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

As Computation Agent, Accounting Partners S.r.l., agrees to perform the obligations required to be performed by itself or the Issuer under Condition 5.1 (*Payment Dates and Interest Periods*), Condition 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*) and Condition 6.8 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement. In particular, the Computation Agent to the extent required under and as provided for in the Conditions and the Cash Administration and Agency Agreement:

on each Calculation Date, shall determine:

(a) the amount of the Issuer Available Funds;

(b) the Principal Amount Outstanding of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on the Notes on that Payment Date);

(c) with respect to the Series M-2017 Notes, the amount of the relevant Interest Amount;

(d) with respect to each Series of Class A Notes, the amount of the relevant Interest Amount;

(e) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Interest Amount;

(f) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Additional Interest Payment Amount;

(g) with respect to each Portfolio: (i) the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding and Single Portfolio Class A Notes Principal Payment Amount; (iii) the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding and Single Portfolio Series M-2017 Notes Principal Payment Amount; (iv) the Single Series Available Class B Notes Redemption Funds;

(h) the amount of the Principal Amortisation Reserve Amount, the Detrimental Reserve Amount (if any) or the First Single Portfolio Detrimental Reserve Amount (if any), the Target Cash Reserve Amounts, the Additional Target Cash Reserve Amounts, each Cash Reserve Amortisation Amount (if any), each Cash Reserve Excess and the amount of each Cash Reserve that shall be utilized to augment the Issuer Available Funds and the Single Portfolio Available Funds. Any calculation in respect of the Cash Reserves shall be made by the Computation Agent in accordance with clause 14 of the Cash Administration and Agency Agreement; and

(i) all payments due to be done by the Issuer on the immediately following Payment Date and, within the Payments Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Rating Agencies, the Irish Listing Agent, the Cash Manager, the Agent Bank and the Back-Up Servicer Facilitator a payments report setting out all such payments and the occurrence of any Cross Collateral Event, substantially in the form attached under Schedule 1 of the Cash Administration and Agency Agreement (the "**Payments Report**");

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds or the Issuer Available Funds (as the case may be) towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority, as the case may be) as resulting from (i) the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period; and (ii) in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates. It is agreed and acknowledged between the Parties hereto that, in making payments pursuant to the provision of the Cash Administration and Agency Agreement none of the Computation Agent or the Paying Agents shall be responsible or liable for having applied, paid, utilized or accounted (both in making payments or in preparation of the Payments Report) any amount which would result, upon receipt of the Quarterly Servicing Reports, as having been erroneously credited to any of the Issuer's Accounts;

on each Calculation Date, shall verify:

(a) whether a Disequilibrium Event provided for in Condition 4.2, a Detrimental Event provided for in Condition 4.3 or a First Single Portfolio Detrimental Event provided for in Condition 4.5 have occurred as at such Calculation Date;

(b) that on the following Payment Date and based on the calculations made by it the Trigger Event provided for in Condition 9.1(a)(ii) will not occur; and

(c) that none of the Cross Collateral Event provided for in Condition 10 (*Cross Collateral Events*) have occurred as at such Calculation Date;

(d) if the Cash Reserve Release Conditions are met;

furthermore, the Computation Agent shall *inter alia*:

(a) not later than each Calculation Date, notify the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Irish Listing Agent, the Representative of the Noteholders, the Security Trustee, the Servicers, the Corporate Services Provider, the Italian Account Bank, the English Account Bank, the Agent Bank, Monte Titoli (in any such way as might be required by

Monte Titoli under its internal regulations or as is customary) and Euroclear, Clearstream and the Irish Stock Exchange of: **(i)** the amount of Issuer Available Funds or Single Portfolio Available Funds which shall be paid to the Principal Paying Agent on the relevant date for application to repay principal and interest under the Notes; **(ii)** the amount of interest with respect to each Class of Notes to be paid on the immediately following Payment Date; **(iii)** the amount of any principal payment due to be made on each Class of Notes on the next following Payment Date; and **(iv)** the Principal Amount Outstanding with respect to each Class of Notes after deduction of the payments of principal to be made on the immediately following Payment Date, and publish them in accordance with Condition 13 (*Notices*);

(b) not later than each Investors Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Principal Paying Agent, the Local Paying Agent, the Rating Agencies, the Servicers and the Irish Listing Agent, an investors report (the "**Investors Report**") substantially in the form attached as schedule 4 of the Cash Administration and Agency Agreement which shall be based on the data contained in the Quarterly Servicing Report and which shall include the information described in clause 10.2(b)(i) of the Intercreditor Agreement; the Investors Report shall set forth the performance of the Portfolio and of the Notes and in particular will contain information, *inter alia*, on (i) the Issuer Available Funds (and their application) on the immediately preceding Payment Date, (ii) the principal amount outstanding on the Notes before and after the immediately preceding Payment Date and interest accrued and interest actually paid on the Notes in respect of the immediately preceding Payment Date, (iii) details on the collections and unpaid amounts on the Portfolio in the preceding Collection Periods and **(iv)** the occurrence of a First Single Portfolio Detrimental Event and/or a Disequilibrium Event and/or a Detrimental Event; each Investors Report will be also made available to the Noteholders, the Other Issuer Creditor and the Rating Agencies on a quarterly basis via the Computation Agent's internet website currently located at www.accountingpartners.it (for the avoidance of doubt, such website does not constitute part of this Prospectus). The Computation Agent's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon;

(c) maintain records of the calculation made by it and make such records available for inspection at all reasonable times by the Issuer, the Servicers, the Representative of the Noteholders and the Security Trustee.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, the Computation Agent may resign its appointment upon not less than 60 (sixty) days' notice to the Issuer (with a copy to the Principal Paying Agent and the Representative of the Noteholders) provided that certain conditions are met; on the other hand, the Issuer may revoke the appointment of the Computation Agent by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders, the Security Trustee and to the Paying Agents); provided however that, in any case, such revocation shall not take effect until a successor has been duly appointed in accordance with clause 13.4 and clause 13.5 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to *Monte Titoli*.

The appointment of the Computation Agent shall terminate if **(a)** the Computation Agent becomes incapable of acting as such also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or **(b)** the Computation Agent becomes unable to pay its debts as they fall due; or **(c)** the Computation Agent takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or **(d)** an order is made or an effective resolution is passed for the winding-up of the Computation Agent; or **(e)** any event occurs which has an analogous effect to any of the foregoing; or **(f)** a cause (*giusta causa*) with respect to the Computation Agent occurs.

Under the Intercreditor Agreement, Accounting Partners has undertaken to act as Back-Up Servicer Facilitator in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the Servicing Agreement.

COLLECTION POLICY AND RECOVERY PROCEDURES

BANCA CASSA DI RISPARMIO DI SAVIGLIANO S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Banca Cassa di Risparmio di Savigliano (Banca CR Savigliano).

1. LOANS WITH TIMELY PAYMENTS

Payment systems and collections monitoring

The loan management systems of Sistema Informativo Bancario allows to manage the loan amortisation plans according to different methods. Banca CR Savigliano utilises:

- Mainly the "french" amortisation system, with constant instalments (the principal instalments are determined on the basis of the interest rate at loan disbursement and unchanged for the duration of the loan, while the interest portion of the instalments varies depending on the changes of the applicable interest rate);

- Loans with fixed instalments and variable maturity;

- Loans with constant principal instalments (Finpiemonte)

The amortisation plan starts from the first day of the calendar month, quarter or semester following the disbursement date. Some loan agreements could have an interest-only period before the principal amortisation begins.

The instalments payment dates fall, except for "Artigiancassa" loans, on the last day of the month and can be monthly, bi-monthly, quarterly, semi-annual and annual, depending on the contractual agreements. The payment methods are substantially represented by:

- automatic debit on the debtors' current accounts opened with the bank's branches;

- for a marginal portion via direct debit.

Payment via automatic debit on an account with the bank

This is the standard payment method since almost all the loan agreement provide for payment via debit on a current account with the bank.

The IT management of the loans provides daily, during the day, before start of normal operations, to identify all the instalments falling due on that day and to the debit of the amount due on the current account linked to the loan. In the event that there are no sufficient funds for the entire payment of the instalment, the system does not proceed with the debit but the unpaid instalment is flagged so that the branches can receive the information and start acting. The debit of the amount so that the account goes overdrawn beyond existing limits can take place only prior authorisation of the officer / bank department which has the necessary powers to proceed on the basis of applicable policies and procedures for loan approvals.

Starting from the first day following the original due date of the instalment, the IT procedure for loan management begins to accrue default interest.

The branch and all operators can verify at any time the accounting balance of the loan.

In exceptional circumstances the bank can grant, to clients who expressly file a request and who provide valid reasons for the request, the renegotiation of the original terms and conditions provided

in the loan agreement, such as extension of the payment dates, modifications of the payment dates and of the amortisation plan, postponement of the final repayment date, changes in the applicable interes rate, can partially or totally renounce to the prepayment penalties, can allow restrictions or reductio in mortgage amounts, etc. The decision is taken by the applicable approving authorities as provided in the internal policies on loan disbursements.

Below is a summary of the approval authority limits:

Approving level	**Board of Directors**	**Executive Committee**	**Chief Executive Officer**	**Head of Credit Department**	**Cat. 1 Branches**	**Cat. 2 Branches**	**Cat. 3 Branches**
Maximum global limit	No limit	13,000,000	1,500,000	300,000	200,000	150,000	100,000
Risk Class 1	No limit	13,000,000	400,000	100,000	60,000	40,000	30,000
Risk Class 2	No limit	13,000,000	700,000	150,000	110,000	70,000	50,000
Risk Class 3	No limit	13,000,000	800,000	160,000	120,000	80,000	60,000
Risk Class 4	No limit	13,000,000	1,500,000	300,000	200,000	150,000	100,000
Credit Cards	No limit	No limit	No limit	12,000	5,200	5,200	5,200
Immediate availability for cheques deposited	No limit	13,000,000	1,000,000	200,000	70,000	60,000	50,000
Mortgage Loans	Minimum approval level: Hed of Credit department, within the respective approval limits						
Treasury operations	Minimum approval level: CEO, within the respective approval limits						

2. LOANS WITH LATE PAYMENTS

2.1. Loans monitoring systems

Ufficio Controllo Andamentale del Credito e Contenzioso (the "Monitoring and Recovery Department"), reporting directly to the CEO, is in charge of the monitoring of credit risks.

Functions of the Monitoring and Recovery Department include activities carried out autonomously or in cooperation with the Branches or Head office services, including:

- monitoring of the entire loan portfolio;

- management, in cooperation with the branches and the Credit Department of the delinquent and impaired loans;

- the proposal to classify positions as *incaglio* or *sofferenza*;

- the valuation of impaired loans for the purposes of the financial accounts of the bank.

The Monitoring and Recovery department is in charge of:

- the monitoring of the management of all positions "under control", "in review" or classified as incagli, supplying adequate reminders to the branches so to achieve that the position goes back to current;

- proposals for the classification of loans as *sofferenze* or *incagli*;

- the review of the management of the loans for which foreclosure has started and support to the external lawyers involved;

- constant and periodic review of delinquent loans and past due instalments

The activity is carried out utilising a series of information both from internal sources (limits utilisation, Centrale Rischi, unpaid instalments, exposures beyond approved limits, SAR system and daily reports on positions and Client profile) and from external sources such as news reports and information available in the local market, any negative report on the clients such as unpaid bills or injunctions.

Any warning signs are investigated further in order to ascertain if these correctly reflect potentially negative events or are rather due to errors or indicate matters of minor importance.

Late payments monitoring

The following are the two types of reviews made:

- On a monthly basis the Monitoring and Recovery Department prepares a report with unpaid loan instalments and highlights the positions having the following past due amounts, both for mortgage and unsecured loans:

  4 unpaid monthly instalments

  3 unpaid quarterly instalments

  1 unpaid instalment for any other type of repayment

  The review of the positions so identified entails the addition / change of the position and, if deemed appropriate, the issuance of a request for payment via registered mail with a copy to any guarantor.

- On a quarterly basis, the Monitoring and Recovery Department prepares a report including all the positions with delinquent instalments and highlights those with two unpaid instalments (both for mortgage and unsercured loans).

The list produced is sent to the branches, which, with the exception of the positions which are already on watch, have to provide within 20 days, a report explaining the reasons for the late payment, any action already undertaken and an assessment of the riskiness of the position. The information provided by the branches is then analised by the Monitoring and Recovery Department.

Review of current account overdrafts

On a daily basis the Branch Managers review all the positions where a current account overdraft has been originated by any type of transaction (cheques, credit cards, direct debits, etc.) and add their signature and store a copy of such data on a specific file.

On a daily basis, the Monitoring and Recovery Department extracts the list of all current account overdrafts above Euro 1,000, due to any type of transaction, and then contacts the branches for a review of such positions and to take the appropriate corrective actions.

Review of all positions with unpaid cheques or bills

On a monthly basis the Monitoring and Recovery Department verifies the names of debtors reported with unpaid cheques or bills and supplies the list to the relevant branch(es).

The IT procedure activates automatically a block on all transactions by clients in such list, and any transaction has to be approved by the Branch Manager. One of the functions of the Monitoring and Recovery Department is therefore to inform the branches even if no transactions have been requested by such clients during the relevant period.

Review of unpaid invoices and bills

On a quarterly basis the Monitoring and Recovery Department collects data on unpaid discounted invoices and bills where such unpaid amounts exceed 20% of the discounted amounts.

The report is sent to the branches, which have to utilise the data in the assessment of the individual clients and in a higher monitoring of the invoices and bills accepted.

The report has to be returned to the Monitoring and Recovery Department within 20 days with comments about the reasons for the unpaid amounts and any iniziative taken by the branches.

Clients with amounts unpaid by more than 90 days

On a quarterly basis the Monitoring and Recovery Department extracts a report listing all positions with amounts past due by more than 90 days.

Current accounts with no transactions

On a semi-annual basis a report detailing all current accounts for which there was no transaction for more than 180 days is prepared.

The reports detailing clients with amounts past due by more than 90 days and with no transactions for more than 180 days are sent to the Branches, which have to assess the positions and take swiftly any action for the recovery of the amounts.

A copy of the reports with the notes and comments by the branches have to be sent back to the Monitoring and Recovery Department within 30 days.

2.2 Classification of loan position as risk level

Positions with high levels of riskiness have to be classified as:

- *Incagli*
- *Sofferenze*

In order to achieve a closer management of credit risk, the classification of exposures must also include exposures “under surveillance”.

In addition to the Bank of Italy provisions related to non performing loans, the Bank, utilises a procedure called SAR in order to identify exposures with higher risks and classifyt them on the basis of the related riskiness. The SAR system produces automatically a score on the basis of a set of parameters and depending on the score, exposures with a level above certain thresholds must be classifies as irregular and placed under monitoring. In particolar the current regulations provide as follows:

- SAR score from 6 to 7.99: exposures to be reviewed and to be classified “under monitoring”;
- SAR score equal to or higher than 8: exposures to be reviewed and to be classified as “under exam”;

In addition to the above mentioned scores, exposures having the following features must be considered in order to identify the exposures to be classified as “under exam”:

exposures related to term and mortgage loans with:

4 or more unpaid monthly instalments

3 or more unpaid quarterly instalments

2 or more unpaid semiannual instalments

1 annual instalment un paid for more than 3 months.

The classification of exposures under surveillance or as incaglio, where the above irregularities are present, is made by the Monitoring and Recovery Department, which timely informs the relevant Branch.

Exposures classified as mentioned above are communicated on a monthly basi sto the Head of Area Affari and to the Head of Administration and Finance.

On a quarterly basis a report on these exposures is provided to the Board of Directors.

2.3 Actions taken

The management of exposures “under surveillance” and in “*incaglio*” is a responsibility of the Monitoring and Recovery Department, together with Area Affari (and branches), which takes care of the relationship with the clients.

On a monthly basis the Monitoring and Recovery Department revies on a specific system application the comments received from the branches with respect to the exposures with SAR score (as of the previous month) equal to or higher than 6, even if these are already classified as “under review”, “in exam” or as *incaglio*. Comments have to be provided by the branch within the month following the one when the score has reached the above attention levels.

Moreover, exposures classified as “under monitoring”, “in exam” or “*incaglio*”, the branch informs the Monitoring and Recovery Department also via a “risk form” within a maximum term of 10 days, with respect to the reasons of the irregularities and to the actions that are planned to normalise the relationships or the actions already taken and the results achieved.

In the case of exposures classified as "*incaglio*", the branch has to complete also an extraordinary review of the exposure. If the client belongs to a group, the entire group exposure has to be reviewed.

As a general rule, exposures should not be classified as "under surveillance" for more than 6 months, to be extended by a maximum of 6 additional months if there are valid reasons for doing so deriving from the nature of the actions put in place to have the exposures back as current. After this term has elapsed exposures can remain in the same bucket only with the approval by the CEO, otherwise the exposure has to be reclassified as current (having the features for this to apply) or otherwise as *incaglio*.

As a general rule exposures can remain classified as incaglio for a maximum of 12 months, unlessa an additional 6 month term is approved by the CEO. After such term has elapsed, if there are no clear signs of normalisation, the exposure has to be submitted to the Executive committee.

2.4 Review of the results from the actions taken

On a quarterly basis the appropriate department will have to verify that actions planned have been implemented by the relevant branches and that the results achieved are consistent with the terms and details agreed.

If actions planned cannot be implemented, the branch has to timely inform the Monitoring and Recovery Department so to identify potential alternative solutions. All documentation related to these activities has to be stored by the Monitoring and Recovery Department.

Results from the actions taken are communicated on a quarterly basis by the Monitoring and Recovery Department to the CEO, who then submits the information to the Board of Directors so that appropriate decisions can be taken. The report has to identify ate least all exposures classified as "under surveillance" and "*incaglio*".

3. Classification of exposures as *sofferenza* and management

The management of exposures in foreclosure refers to the time when exposures are classified as "*sofferenze*" and the subsequent management of the recovery process, with particolar reference to the activation of the role of the external lawyers, the coordination of this activity and the determination of provisions and write-offs.

3.1 DOCUMENTATION GATHERING

The decision to classify an exposure as sofferenza is taken by the Executive Committee, unless, on the basis of specific authorities, this is proposed by the CEO, on the basis of information provided by the Credit Control department. Any decision taken is timely communicated to all the relevant departments and branches and considers the entire exposure to a client / group of clients.

3.2 INTERNAL MANAGEMENT

The Monitoring and Recovery Department prepares for the Executive Committee a memorandum with information necessary to analyse a position and to identify possible recovery strategies o write-off.

Any decision by the Executive Committee with respect to provisions, write-offs, loan sales, has to be accompanied by proposals and opinions by the internal departmens and/or external lawyers in charge of the recovery of the exposures.

Objective information for the assessment of loan provisions can be derived from:

- the difference between the exposure and the debt repayment ability and assets of the debtors and guarantors;
- realisable value of guarantees, information received from experts or legal advisors;
- length of legal actions and procedures, expected results and related economic efficiency;
- out of court settlements, forebearances;
- borrower's behaviour;
- attitude towards other creditors.

The Executive Committee (unless specific authorities are given) is responsible for all decisions related to the subsequent management of the exposure classified as sofferenza, in particular:

- terms for any sale of the claim
- provisions and write-offs.

3.3 OUT OF COURT RESOLUTIONS

Specific procedures are in place to determine the cancellation of all credit lines and for the request for payment to all obligors and guarantors and the identification of all amounts on which a set off right can be exercised.

The Executive Committee, upon proposal by the CEO (unless specific authorities are given), is responsible for all decisions with respect to the subsequent management of all positions classified as *sofferenza*, in particolar:

- set-off or liquidation of existing guarantees;
- implementation of all possible actions for the recovery of the exposure;
- novations, forbearances
- debt restructurings
- repayment plans.

3.4 – EXTERNAL AND JUDICIAL MANAGEMENT

The Executive Committee, upon proposal by the CEO (unless specific authorities are approved), is in charge for the selection of the law firm to which the management of the judicial proceedings is to be assigned, with indication of the actions to be implemented as well as any external recovery agency to which the extra-judicial recovery processi s to be assigned.

The committee also montiors that the activity undertaken by the lawfirms corresponds to the indications received in the mandate awarded by the bank and that detailed updates are supplied as to the developments of the actions and that copies of the related documentation are provided.

***

BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Banca Mediocredito del Friuli Venezia Giulia S.p.A.

1. PERFORMING LOANS

Payment methods and cash management processing.

The IT system of the bank implements a credit management process based on the "French" amortization approach which implies fixed payments (principal and interest amounts vary according to the fixing of the applicable interest rate and the payment frequency). The amortization of the loans starts on the day the contract is signed, unless the contract provides for a pre-amortization period during which the debtor pays only interests.

The payments of the loans are usually semi-annual with payment dates on the 30th of June and 31st of December. On a case-by-case basis it is possible to customize the contract and allow for monthly, two-months, quarterly or four-months payments.

There are different payment methods:

- debit on the debtor current account in Mediocredito bank;
- debit with SDD (SEPA Direct Debit) on the debtor current account in any branch of a banking institution on the Single euro payments area (SEPA);
- debit on the debtor account in any branch of a banking institution on the Italian territory through Ri.Ba. claim (this kind of payment is not offered to new clients anymore; it is only used as a temporary means of payment while debtor's SDD is activated)

Collection through debit with SDD on the debtor account

It is the most common means of payment used by debtors.

The loan IT management system provides for a daily procedure which is run in the night and which allows for detection of payments maturing the following day and it also generates credit flows subject to collection (*SBF – salvo buon fine*) which are sent through the National Interbank Network. If the debtor's account either is not usable or it is partially usable, the bank usually receives a notification of the unpaid instalment and of the cancellation of the payment subject to collection through the National Interbank Network within the 5th working day following the maturity of the payment.

The loan management procedure calculates interests in arrears starting from the first day following the original maturity of the payment.

The system can show the status of the loan at any time and highlight its accounting position.

In exceptional circumstances, the Bank can:

- take actions to renegotiate original contract covenants like: defer payments, reschedule residual debt maturity and amortization plan, postpone final maturity or renegotiate interest rate;
- entirely or partially renounce to the early repayment penalty, or

- grant a ceiling or reduction on the mortgage

to clients who explicitly require one of these measures providing a valid and tangible justification. The decision-making power is referred to the convened deliberative body, as defined in the internal regulation with respect to loan supply policy.

2. POSITIONS IN ARREARS

2.1 Monitoring systems

Area Managers are in charge of collecting updated information provided by clients and of administering relations with the Operating Monitoring Unit and Credit Management desk of the Business Division for the positions that the same division manages.

The monitoring function collects, organizes and gauges information about clients provided by external sources and promptly contacts the convened business units which are responsible for the management of the client whom information is referred to.

Risk control function is carried out by the Head of Compliance and Risk Management and it is part of the Operating Monitoring Unit and Credit Management desk.

Risk control is carried out both on portfolio level and on counterparty level.

The process guarantees qualitative standards requirements in the loan supply process and in the loan management procedure.

Risk control on counterparty level carries out the following activities:

- checking that anomalies are correctly classified;
- checking that affiliated companies are identified within the correct Risk Groups;
- analysing individual exposures;
- checking loans' valuations for accounting purposes;
- producing preliminary review over the credit assessment report for OMRs ("*Operazioni di Maggior Rilievo*", i.e. most significant transactions) in relation to the economics of the transaction and compliance with the Risk Appetite Framework.

The activities are carried out using internal information provided by corporate databases (credit revolving, drawdown, Bank of Italy's Risks Centre, unpaid loan payments, overdraws, irregularities in the client activities, client's profile) and external information (news collected from information providers and on the market, negative information about the clients, registrar, dishonours, transcripts etc.). It is also performed: data mining from the internal IT system for irregular entries with respect to all the outstanding loans; valuation and comparison with other internal evidences (i.e.: loan payments in arrears, etc. , if this information is not provided by the warning flags.

The irregularities that will be detected have to reflect concrete client's misconduct and have not to be the result of arguably incorrect information or information which is not significantly relevant.

Moreover the bank is given notice of any change or any prejudicial event that involves the client under observation on a weekly basis; this information is sent to the Credit Monitoring and Credit Risk Control divisions.

Specific evidence is provided by the Monitoring division to the Area Managers, the Business Managers, Credit Managers and Commercial Managers and to the Credit Risk Operating Control Unit for information.

The business division that manages the position will then take necessary actions to deal with the received warning.

Credit risk control is undertaken by the Credit Risk Control Division through investigation either on single troubled positions or on the entire portfolio, through an analysis of some specific aspects, namely:

- Portfolio composition at global level;
- Credit concentration;
- Composition of impaired loans;
- Credit risk policy indicators;
- Historical credit activity;
- Risk profile by economic sector;
- NPLs recovery;
- Interest rates;
- Positioning on the credit market.

Non-performing loans division's monitoring activities of delinquent and defaulted positions entail timely update of the status of each single position in order to provide information to the Control divisions and to the General Administration.

Procedures for identification of payments in arrears.

All positions, both secured and unsecured, which record overdue payments are classified into:

-

- **CLASSI STANDARD**	- **WATCH LOAN**	- **FORBORNE**
- past due over 30 days	- watch loan in bonis	- watch loan in bonis
- past due over 90 days	- watch loan with past due over 90 days	- watch loan with past due over 90 days (1) / forborne non performing (2)
- unlikely to pay	- unlikely to pay	- unlikely to pay
- defaulted	- defaulted	- defaulted

- (1) if the loan was performing at origination and it was moved to non-performing after the

forbearance measures were granted (if the loan was originated as forborne non-performing, at the first contractual breach it would have been classified as unlikely to pay);

- (2) if originated non-performing without being unlikely to pay or defaulted. The report is distributed to all the business units which are involved in the monitoring activity in order to ease the implementation of their activities.

Procedures for identification of approved, undrawn or partially undrawn loans.

The Business division is responsible for the monitoring activities of approved loans which are undrawn or partially undrawn and reports to the General Administration about the undrawn positions.

Following the resolution by the Competent authorities (the Executive Committee that meets once every two weeks or the Board of Directors that meets monthly), all the approved financing/restructuring applications are passed on the Credit Risk Operating control division which, in turn, samples this portfolio and performs additional tests in order to assess the completeness and consistency of the set of information relating to the single loan application, the consistency of the loan granting approval report and the compliance with the limits of the approval process.

Any comment is directly sent to the Business and Credit Manager.

If a breach of either the mandates or the limits set for the approval process is noticed, the Credit Risk Control division will notify to the General Manager and to the Internal Audit.

2.2 Classification of problem loans

Loans with significant arrears have to be classified in one of the following categories:

- unlikely to pay;

- defaulted

For an optimal credit management, the classification of the risky positions has to account also for: loans which have been classified as overdue for a certain period of time before returning to their normal status; any position which was delinquent in the past and any other loan that can raise particular concerns to the managers. Reports are delivered on a monthly basis and include information presented in the previous paragraph “Procedures for identification of payments in arrears”.

2.3 Recovery procedures

The Business unit which is in charge of the credit management considers the information and the data about the loan and carries out additional investigations that can directly involve the client. In the light of the attained findings the business unit can implement *ad-hoc* measures in order to mitigate risk exposure and/or review the position in the taxonomy of the credits, according internal or monitoring regulatory system.

The results of the investigation process and the implemented actions are also reported to the Credit Risk Control division.

2.4 Investigation on the results of the implemented measures

The Credit risk control operating unit carries out a check the consistency of the classification with respect to the internal and monitoring regulation. If it is necessary to change the classification of the positions, the Risk Control Department will implement due measures and will inform the Business

units in charge of client management the Managers responsible for the Business Area, the Commercial Area and the Credit Services Area.

The Internal Audit carries out the investigation on the correct imputation of the troubled positions semiannually.

If the loan is renegotiated, the approval scheme is submitted to the Executive Committee and to the Board of Directors after the conclusion of the credit assessment process.

3. WRITE-OFF AND MANAGEMENT OF DEFAULTED LOANS

The enforcement process refers to the procedures from the recognition of the position as defaulted to the entire following course of action including the activation, management and coordination of the involvement of the external attorneys and the appraisal of contingent devaluations or losses.

3.1. Documental gathering

The imputation of a defaulted position is carried out:

- following resolution by the General Manager upon proposal by the Business division Manager, by the NPL Manager and the Credit risk control Manager;

- upon initiative by the Administration, further to the notice that the Debtor or the Lessee has been subjected to a bankruptcy procedure (including the extraordinary administration);

The change of status of the position from "defaulted" is reserved to the approval of the competent bodies, in accordance with the credit decision powers delegated.

3.2. Internal Management

Every quarter the Board of Directors is informed by the Credit Risk Control division about the positions that have become unlikely to pay or have defaulted; the report is edited according to the information received from the Operating Credit Monitoring and Management division.

The business entities that are responsible for the analytical assessment of problem loans are:

- the Relationship Manager of the Commercial department in charge of those loans which have been classified as "watch loan";

- the Relationship Manager of the Commercial department in charge of those loans which have been classified as "past due over 30 days";

- the Relationship Manager of the Commercial department in charge of those loans which have been classified as "past due over 90 days";

- the Relationship Manager of the Commercial department in charge of those loans which have been classified as "forborne non performing";

- the NPL division for those loans which have been classified as "unlikely to pay";

- the NPL division for those loans which have been classified as "defaulted".

All the results are submitted to the Credit Risk Control desk.

Appraisal of the assets posted as collateral of defaulted positions is carried out in accordance with some operating criteria:

a) if the asset is undergoing a sale process, its value is assumed to be equal to the selling price;

b) if no CTU appraisal has been performed during insolvency procedure, the asset value is assumed to be equal to the updated value obtained by the internal appraisers valuation with a haircut;

c) in neither CTU appraisal nor internal updated appraisal is available, the value of the asset is assumed to be equal to the one available in the most recent appraisal with a haircut;

d) if a CTU appraisal is available, the price of the asset is set equal to the value provided by the CTU assessment with a haircut;

e) if the asset is auctioned, its value is assumed to be equal to the last available hammer price with a haircut;

f) fees amount to at least 2% of the sale price of the asset if the price is higher than 1 mln €; 5% fee will instead be applied for lower asset values.

The guarantees that are usually excluded from the preventive appraisal are:

- pledges on equity shares and securities which are neither quoted on active markets nor issued by banks or public administration bodies;

- benefits from exploitable assets, if updated information about their actual value is not available;

- guarantees which are not released by public administrations, banks, insurance companies and consortia for collateralization of the loans.

The pledges on financial instruments which are either quoted on active markets or issued by banks or public administration bodies are priced as the lowest between the nominal and the market value; that is the value reported in the guarantee document.

Proposals for analytical amendment/recovery of the value of loans classified as unlikely to pay or defaulted are subject to appraisal by NPL division and to Credit Risk Control division's verification on:

- the consistency between the estimated loan recovery, the preventive appraisal and any contingent legal actions initiated with respect to the loan;

- the reliability of the estimated recovery period.

The NPL division and the operating units of the Business Area provide proper evidence on the specific features of the investigated risky positions to the Credit risk control division that, in this way, can express its view on the classification and the estimated losses on the loans.

The Credit risk control division reports to the CEO and to the Appointed Manager about the findings of the appraisals and implemented measures.

The CEO and the Appointed Manager can modify the amended/recovered value quantified by the Credit risk control division, subject to appropriate justification.

The final amended/recovered value is then communicated to the Administration and to the Credit risk control area.

The NPL division will then report the amended/recovered value of the loan on the IT system. The Administration will monitor the proper allocation of the data on the IT system.

The Board of Directors is provided with evidence of the amended/recovered recorded on each single position and it is informed about contingent adjustments with respect to former appraisal by the Credit risk control division carried out by the CEO and the Appointed Manager.

3.3 Judicial recovery

There are specific implementation measures for revocation of the credit, notice of the default to the debtors and to the guarantors and the recognition of credits that can offset.

If no credit decision power has been delegated, any action to be carried out with respect to defaulted positions is resolved by the Board of Directors, under proposal of the Appointed Manager, and in particular decisions with respect to:

- compensation and/or collection of prompt executable collateral;
- implementation of any available measure for credit recovery;
- novation, remission and/or acquittal measures;
- redefinition of the credit structure;
- definition of the rescheduling plan.

3.4 External judicial recovery

The Board of Directors, under proposal of the General Administration and with exception of delegated powers, appoints external attorneys for a formal mandate to manage insolvency procedures according to the Bank’s guidelines indicating also potential companies for out-of-court recovery.

The actions carried out by the attorney is monitored in order to assess whether their job in consistent with the guidelines and to provide contingent new information about the recovery process.

BANCA ALPI MARITTIME CREDITO COOPERATIVO CARRU' SOCIETA' COOPERATIVA PER AZIONI

The following Credit and Collection Policy and Recovery Procedures of Banca Alpi Marittime Credito Cooperativo Carru' Società Cooperativa Per Azioni (Banca Alpi Marittime)

Granting of mortgage loans

Organizational structure

The analysis and approval of mortgage loan applications is performed within the *Nucleo Istruttoria Crediti*, department which on the basis of the proposals received from the branches makes its own assessment of the applications before presenting these to the internal approving bodies.

The credit management process also sees the involvement of the Credit Committee, which is formed by the General Manager, the Chief Credit Officer and the Head of the Recovery Department.

The relationship between the Bank and its clients starts at the branch level (direct applications represent 100% of the mortgage loans, the Bank does not use brokers).

In respect of each application for a mortgage loan, the officer at the branch:

(i) analyses the purpose of the loan;
(ii) collects the documentation in order to verify the credit capacity of the relevant borrower;
(iii) collects the cadastral documentation (*documentazione catastale*) and any other information necessary to identify the real estate property which will eventually secure the mortgage loan;
(iv) obtains the underling property appraisal, prepared in respect of the internal policy;
(v) in case of unsecured loan, obtains other non-real estate guarantees;
(vi) checks any information collected relating to the relevant borrower in the following databases:

(A) "*Centrale Rischi Informazioni Finanziarie*" (CRIF);
(B) "*Centrale Rischi della Banca d'Italia*";
(C) "*Cerved*" (an external database kept at every Chamber of Commerce);
(D) Internal database of the Bank.

Approval process and authorities

Branches are in charge to collect all necessary information and to complete an Electronic Credit Application. As a general rule the bank gives priority to mortgage loans under the *fondiario* status and with a loan to value up to 80% and as a residual option looks at loans with higher loan to value and in general to established customers.

The repayment capacity of the potential borrower is determined by means of a review of the following:

- tax documentation – the annual tax declaration: (*CUD – mod. 730* or *Unico*) and the last three
- pay slips;
- net worth of the applicant and any guarantor;
- the monitoring of external databases (CRIF, *Centrale Rischi* and Cerved);
- in the event of commercial loans: financial statements for the three previous years, business plan and company documents, general trend in the sector of activity of the applicant;
- co-borrowers or guarantors incomes are included in the monthly income analysis.
-

Further requirements for the approval of the application are:
- Real estate valuation from an external appraiser;

- Insurance on the mortgaged assets;
- Mortgage registration for an amount in general equal to twice the amount of the mortgage loan.

After completion of the credit application, the file is submitted to the approving bodies. The following approval authority levels are in place within BAM:

Cat.		Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9
		Board of Directors	CEO	Executive Committee	General Manager	Head of Area Business	Head of Recovery Department	Branch Manager A	Branch Manager B	Branch Manager C
1	All loans without guarantee	unlimited	3.000	3.000	300	****	-	25	15	10
2	All loans with guarantee	unlimited	5.000	5.000	500	****	-	30	20	15
3	Mortgages to individuals (80% loan to value) max life 30 years)	unlimited	5.000	5.000	500	****	-	100	70	70
4	Max amount client/group	unlimited	5.000	5.000	500	****	-	100	70	70

Following approval of the credit application the Credit Department is also in charge of:
- completion of the loan documentation;
- interaction with the branches and all other areas of the bank which need to be involved;
- filing of all loan and security documents;
- review of any change to the loan terms requested by the borrower and management of the internal approval process for the same. Any request for changes in the interest rates applicable to a loan are to be approved by the General Manager, while any write off of non performing exposures has to be approved by the Board of Directors after completion of any judicial recovery proceeding.

Credit Management and Collections
The management of the loans and the collections is carried out by BAM in its capacity as Servicer of the Claims.
The Recovery Department (*Nucleo Andamento Crediti*) is in charge of these activities.
Main activities are:
1. Monitoring and management of unpaid loans;
2. Credit recovery;
3. Management of non performing loans.

Unpaid Instalments
The Recovery Department. starts the different actions depending on the status of the unpaid loans and on the basis of additional information collected from both data internal to the bank - as P.E.G. (Pratica Elettronica di Gestione) and SARWEB - and data from external databases (such as *Centrale Rischi*). Results from this application are summarised in monthly reports which are supplied to the Executive Committee and to the Board of Directors.
Loans are classified in the following categories:
- In *bonis* (performing): loans that do not show any performance issue;

- *Under observation*: loans which show some indicators or performance not fully in line with expectations and which require particular attention to limit any possible credit risk;
- *Inadempienze probabili*: exposures showing temporary performance issues, which are expected to be solved within a reasonable time by the borrower itself;
- *Sofferenze (*defaults*)*: exposures towards borrowers in serious economic and financial difficulties, which are not expected to be reversed in a reasonable timeframe.

In case the recovery process does not get any result the Recovery Department. may decide to classify the loan as defaulted *(in sofferenza*). The decision is taken by the Board of Directors.

Depending on the situation BAM may decide to transfer the recovery process to an external lawyer.

The selection and appointment of external lawyers is made by the Board of Directors.

CASSA DI RISPARMIO DI CENTO S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Cassa di Risparmio di Cento (CR Cento)

Process for granting loans

The CR Cento only disburses loans through its branches; the lack of brokers and intermediaries is considered a strength by CR Cento in its loan disbursement process, given that the process is generally also based on direct knowledge of the customer requesting the loan. The procedure described below follows the preliminary operations related to the ascertaining of the personal or corporate identity and correct registration of the business.

The stages envisaged for the disbursement of a loan are as follows:

a) presentation of the loan application at the branch;

The branch collects the duly completed loan application and signs it together with the:

- last declaration of income;
- financial statements;
- business plan of any potential property works or investments, especially for the ones carrying a risk of failure in their implementation stage or, following the implementation stage, at *regime*;
- corporate documents for powers of signature;
- in the case of loans for the purchase of real estate, a copy of the deed of origin of the property or a copy of the preliminary purchase contract and land registry plans of the property;

b) electronic loan proceedings;

The branch fulfils the loan proceedings, in particular:

- it checks, through a specific consultation of external databanks, that there are no legal or prejudicial proceedings and ascertains any probability of default by parties jointly obliged in the application;
- it queries the Bank of Italy risks centre;
- it evaluates the capacity of those jointly-obliged for the debt requested to repay, together with any other debts on the system. With regards to businesses, market positioning and the trend of the economic segment to which it belongs are essential elements of the evaluation in economic-financial terms, which must also be based on a reading and interpretation of the financial statements figures, together with the rating as objective risk indicator;
- if the loan envisages the guarantee of a mortgage on the property, it acquires the valuation of the asset offered as mortgage guarantee by means of the appraisal of a technician approved by the bank. The branch ascertains that the percentage of the loan is equal to or less than 80%. It also ascertains that the term requested is compliant with that envisaged by the bank;
- the branch verifies which is the competent decision-making body on the basis of the loan characteristics.

In case the loan requested concerns an innovative project or investment, the loan request is generally asked to be accompanied by a business plan provided by the candidate borrower.
The business plan is used to evaluate the sustainability of the proposed investments and the increase in the turnover and/or profitability expected out of such investment.
Applicant borrowers are also asked to provide preliminary contracts or invoices relative to third parties involved in the project (suppliers, technical and legal advisors, etc.) to verify the commitment to pursue the project outlined.
Depending on the characteristics of the investments, on its specific technicality and risk of failure deriving from a preliminary assessment carried out by CR Cento, the Bank may request the borrowers

to supply also expert's opinions (technical ad hoc study and research) to further provide comfort on the likelihood of success of the investment and initiative.

c) resolution of the competent body;
If the resolution does not come under the scope of the powers delegated to the branch, the proceeding will be forwarded to the General Management bodies.

Table n.1 – CR Cento's delegation system EUR '000s

Type	General Manager	Deputy General Manager	Loans Area Manager	Loans Secretary Manager/Group and Key Accounts Manager	Loans Secretary Assistants	branches cl. 1	branches cl. 2	branches cl. 3
Risk 1 (full)	1,500	800	600	200	80	50	30	15
Risk 2 (attenuated)	3,000	1,600	1,200	500	200	100	80	50
Risk 3 (cheques)	800	500	400	150	100	50	30	15
with total maximum for NDG	4,500	2,400	1,800	700	280	150	110	65
Risk 4 (derivatives)	800	500	300	150	0	0	0	0

d) if the loan envisages a mortgage guarantee over the property:
- assessment of the commercial value of the property to be mortgaged, by means of professional appraisal;
- acquisition of the preliminary notary report to ascertain the legal status of the property being mortgaged;

e) stipulation of the loan contract;
In order to obtain the stipulation of the loan, all data used to evaluate the operation must be confirmed in the documents acquired during the proceedings and resolution.

f) loan disbursement;
Disbursement takes place at the same time as the contract is stipulated.

g) acquisition of definitive documentation:
Loan contract in executive form, mortgage registration note in the event of collateral, any personal guarantees, insurance policies, authorisation to charge instalments to the current account, etc.

h) payments:
Loans are usually repaid by means of monthly instalments. By customer request the instalments can be quarterly or semi-annual. Usually, the instalments are charged on the current account the customer has with CR Cento. The instalment collection service is entirely carried out by CR Cento branch network for both loans still within CR Cento portfolio, and loans transferred to special purpose vehicles.

2. Credit Risk Management and Non performing Credit Management

Credit Risk Management is part of the overall bank's Internal Controls System. The controls implemented consist of first level controls (business line controls, automatic software controls and manual controls) and second level risk controls. They have the main aim of avoiding any deterioration of the positions and minimising losses; they also aim to avoid risks that may harm operations and reputation, if fraudulent activity may be involved in disbursements, and together they form an adequate internal risk management system. The Board of Statutory Auditors and the Internal Audit

Function are therefore able to verify, as they are institutionally called to do, the total adequacy of the controls systems.

The Monitoring and Debt Collection Department includes the following offices, which deal with each type of loan:

Credit Monitoring	→	Supports the branches for the management of performing positions experiencing temporary difficulties in order to prevent deterioration
Doubtful Credit	→	Supports the branches for the management of unlikely to pay positions
Debt Collection	→	Non-performing positions

The unpaid instalment is the main sign of loan anomaly and as such is kept under control by the automatic procedure named CQM (Credit Quality Manager). This procedure warns the manager accountable for the single credit that an anomaly has occurred (not only unpaid instalments). It activates a workflow with actions to do and deadlines to respect.

The Debt Collection Unit, which deals directly with the management of non-performing positions, uses formally agreed collaboration with law firms and external companies for the non performing loan collection.

The Monitoring and Debt Collection Department provides all indications useful for the management of doubtful outcomes, on the basis of all information available. CR Cento does not have automatic systems for the write off; for amounts up to EUR 25,000, the write off is delegated to the General Manager, for greater amounts, it must be authorised by the Board of Directors.

- The Monitoring and Debt Collection Department reports directly to the General Manager, and the Credit Monitoring, Doubtful Credit and Debt Collection Units report to it. It deals with:
  a. Controls of operating activities carried out by branches on the credit risk.
  b. Guaranteeing an efficient trend and merits control of performing loans.
  c. Selecting loan positions to be subjected to specific controls and ensuring that proposals are correctly classified.
  d. Ensuring regular checks of the trend of anomaly flows such as persistent non payment, etc.
  e. Ensuring control of loan risk, systematically detecting trend anomalies and anomalies in individual positions, prescribing corrective action and verifying implementation.
  f. Monitoring the management of delinquent loans taking the necessary steps to protect the Bank's credit reasons.
  g. Managing watchlist and non-performing positions ensuring completion of all interventions necessary to obtain the legal and/or friendly collection of the loans.

- The Doubtful Credit Unit, in particular, deals with:
  a. Controlling the trend of risk exposure of positions, detecting internal and external delinquencies and ensuring that preliminary activities are prepared, to the overcoming of critical issues.

b. Ensuring the continuous management of the positions under observation and the direct management of proceedings classified as watchlist , froborne non performing and unlikely to pay, in order to limit or reduce any losses on loans.

- The Debt Collection Unit, in particular, deals with:

  assisting and supporting the sales network and central offices in managing performing positions experiencing temporary difficulties, providing support and spreading awareness of the subject, making proposals to restructure loans, or repayment by instalments or other, agreeing with the reference branch manager.

USE OF PROCEEDS

The net proceeds from the issue of the Series 2 Notes, being Euro 770,525,000.00 of which Euro 473,355,000.00 of the Series A-2017 Notes, Euro 91,350,000.00 of the Series M-2017 Notes and Euro 205,820,000.00 of the Series B-2017 Notes will be applied by the Issuer on the Subsequent Issue Date (i) to finance the Purchase Price of the Subsequent Portfolios and the amount to be paid by the Issuer to the relevant Originators in order to redeem in full the Series B-2013 Notes, (ii) to fund each Relevant Cash Reserve and the Retention Amount, and (iii) to pay certain upfront costs and expenses of the Transaction in accordance with the provisions of the Subsequent Subscription Agreement.

THE ISSUER

Introduction

The Issuer was incorporated under the laws of the Republic of Italy as a special purpose vehicle pursuant to article 3 of Law 130, as a *società a responsabilità limitata* (limited liability company) on 12 February 2013 under the name of Alchera SPV S.r.l., registered in the Register of Companies of Milan with No. 08149260963 and with the register held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014. Since the date of its incorporation, the Issuer has not been engaged in any business other than the purchase of the Initial Portfolios, and the carrying out of the related activities (including, without limitation, (i) the authorisation and the execution of the Transaction Documents to which it is a party; (ii) the activities referred to or contemplated in this Prospectus, in the Initial Prospectus and in the Transaction Documents; and (iii) the authorisation by it to the issuance of the Notes), other than the activities incidental to any registration under the laws of the Republic of Italy, and no dividends have been declared or paid.

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000.00 fully paid up as of the date of this Prospectus. The quotaholder of the Issuer is Stichting Dean which holds a quota equal to the entire quota capital (Euro 10,000.00) of the Issuer (the "**Quotaholder**").The duration of the Issuer is until 31 December 2080. Pursuant to the Agreement between the Issuer and the Quotaholder, the Quotaholder has given certain undertakings in relation to the management of the Issuer and pursuant to the Corporate Services Agreement the Corporate Services Provider has also undertaken to provide the Issuer with certain management services (including the activity indicated in clause 4.1 of the Agreement between the Issuer and the Quotaholder). For further details see section headed "*Description of the Other Transaction Documents - The Agreement between the Issuer and the Quotaholder*".

Principal Activities

The scope of the Issuer, as set out in article 5 of its By-laws (*Statuto*), is exclusively to purchase monetary claims in the context of securitisation transactions, and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to article 3 of Law 130. The issuance of the Series 2 Notes was approved by means of a meeting held on 11 January 2017. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolios, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Conditions.

Director(s)

Alchera SPV S.r.l. is managed by the sole director Fabio Stupazzini. The sole director was appointed on 12 February 2013.

The sole director is domiciled for this purpose at the registered office of the Issuer at Via Statuto 10, Milano (Italy), telephone number +39 02 58459 175.

The sole director of the Issuer has the requisite experience and expertise for the management of its business.

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

Capitalisation and indebtedness statement

The capitalisation and indebtness of the Issuer as at the date of this Prospectus, adjusted for the issue of the Series 2 Notes on the Subsequent Issue Date and after payments made on the Interest Payment Date falling on 10 February 2017, is as follows:

Capital

Issued and fully paid up	Euro 10,000.00

In connection with the issue by the Issuer of the Series 2 Notes referred to in this Prospectus, the transaction would be reported as an off-balance sheet transaction in the *Nota Integrativa* to the financial statements of the Issuer as of the Subsequent Issue Date, as follows:

Off-balance sheet assets and liabilities

Euro 83,325,853.85 Series A-2013 Asset Backed Floating Rate Notes due November 2048.

Euro 473,355,000.00 Series A-2017 Asset Backed Floating Rate Notes due November 2048.

Euro 91,350,000.00 Series M-2017 Asset Backed Floating Rate Notes due November 2050.

Euro 60,860,000.00 Series B1-2017Asset Backed Floating Rate Notes due November 2050.

Euro 33,730,000.00 Series B2-2017Asset Backed Floating Rate Notes due November 2050.

Euro 63,510,000.00 Series B3-2017Asset Backed Floating Rate Notes due November 2050.

Euro 47,720,000.00 Series B4-2017Asset Backed Floating Rate Notes due November 2050.

TOTAL INDEBTEDNESS	Euro 853,850,853.85

Following the issue of the Series 2 Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature 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.

DESCRIPTION OF THE TRANSFER AGREEMENTS

The description of the Transfer Agreements set out below is a summary of certain features of the Transfer Agreements and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements upon request at the registered offices of the Representative of the Noteholders and the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transfer Agreements.

Pursuant to three transfer agreements, entered into between Banca CR Savigliano, Banca MCFVG and CR Saluzzo and the Issuer on 6 June 2013 (the "**Initial Signing Date**") (the "**Initial Transfer Agreements**"), each of the banks sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims (each an "**Initial Portfolio**") and connected rights arising out of the relevant mortgage and unsecured loans (respectively, the "**Initial Claims**" and "**Initial Loans**") granted by each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo to their customers, with economic effect as of the Effective Date.

The purchase price of the Initial Claims has been paid by the Issuer through the proceeds coming from the issuance of the Series 1 Notes.

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement (the "**CR Saluzzo Portfolio**") and resigned from all of its roles under the Transaction (the "**Resignation**"). Further to the Resignation, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, in their capacities as Originators, entered into with the Issuer on 1 February 2017 (the "**Subsequent Signing Date**") four new transfer agreements, pursuant to the Securitisation Law, (each a "**Subsequent Transfer Agreement**" and, collectively, the "**Subsequent Transfer Agreements**") in order to transfer to the Issuer additional portfolios of monetary claims and other connected rights (respectively, the "**Subsequent Portfolios**" and the "**Subsequent Claims**") arising under mortgage and unsecured loans (the "**Subsequent Loans**" and, together with the Initial Loans (except for the CR Saluzzo Portfolio), the "**Loans**").

The payment of the purchase price of the Subsequent Claims to the Originators will be financed by, and will be limited recourse to, the net proceeds of the issue of the Series 2 Notes on the Subsequent Issue Date.

The Initial Portfolios (except for the CR Saluzzo Portfolio) and the Subsequent Portfolios are collectively referred to as the "**Portfolio**" and will constitue as a whole, upon issuance of the Series 2 Notes, the principal sourse of funds available to the Issuer for the payment of interest and the repayment of principal on the Series 2 Notes.

The Portfolios sold by Banca CR Savigliano are referred to as Portfolio No. 1, the Portfolios sold by Banca MCFVG are referred to as Portfolio No. 2, the Portfolio sold by Banca Alpi Marittime is referred to as Portfolio No. 3 and the Portfolio sold by CR Cento is referred to as Portfolio No. 4.

THE PURCHASE PRICE

The relevant purchase price of all the Initial Claims has been paid in full to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo on the Initial Issue Date.

As consideration for the acquisition of the Subsequent Claims pursuant to the Subsequent Transfer Agreements, the Issuer has undertaken to pay to Banca CR Savigliano a price equal to €129,322,851.72, to Banca MCFVG a price equal to €65,716,483.31, to Banca Alpi Marittime a price equal to €256,251,237.58 and to CR Cento a price equal to €192,571,185.42 (collectively the "**Purchase Price**"). The Purchase Price is calculated as the aggregate of the Outstanding Principal of all the relevant Subsequent Claims at the Subsequent Effective Date.

The Purchase Price of all the Subsequent Claims is required to be paid in full to the relevant Originator, even by way of set-off, by the Subsequent Issue Date or, if subsequent, on the later of (i) the date of publication in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) of the notice of assignment as described in the relevant Subsequent Transfer Agreement; and (ii) the date of registration (*iscrizione*) with the competent companies' register of the notice of assignment as described in the relevant Subsequent Transfer Agreement.

THE CLAIMS

Pursuant to the relevant Transfer Agreement each of the Originators has represented and warranted that the Subsequent Claims have been selected on the basis of general criteria (the "**General Criteria**") and further specific objective criteria as set out for each Originator (the "**Specific Criteria**" and, together with the General Criteria, the "**Criteria**") in order to ensure that the Subsequent Claims have the same legal and financial characteristics. See "*The Portfolio*".

PRICE ADJUSTMENT

The Transfer Agreements provide that if, after the Subsequent Transfer Date, it transpires that (i) any Subsequent Claims do not meet the Criteria, then such Subsequent Claims will be deemed not to have been assigned and transferred to the Issuer pursuant to the relevant Transfer Agreement and (ii) any Subsequent Claim which meets the Criteria has not been included in the list of Subsequent Claims attached to the relevant Transfer Agreement, then such Subsequent Claim shall be deemed to have been assigned and transferred to the Issuer by the relevant Originators pursuant to the relevant Transfer Agreement. The Purchase Price shall be adjusted to take into account the additional payment or the reimbursement to be made for any such Subsequent Claim, as follows:

A. in case of a Subsequent Claim which does not meet the Criteria, the Purchase Price shall be adjusted as follows: (i) within 5 (five) Business Days from the day in which the relevant Originator or the Issuer, as the case may be, becomes aware of the fact that the claim does not meet the Criteria, it shall give written notice to the other party; (ii) further to the written notice, the relevant Originator shall promptly notify the Computation Agent, with copy to the Issuer, the amounts due to the Issuer and shall immediately pay to the Issuer: (a) an amount equal to the Individual Purchase Price of such claim, plus (b) any accrued and accruing interest on such amount (decreased of an amount equal to the principal amount of all the Instalments recovered and collected with respect to such Subsequent Claim as of the relevant Effective Date) from the Subsequent Issue Date until the Repayment Date of the Individual Purchase Price (*Data di Rimborso del Prezzo di Acquisto Individuale*, as defined in the relevant Transfer Agreement) calculated at an annual rate equal to the weighted average interest rate payable on the Notes on such period; less (c) the aggregate of all amounts recovered and/or collected by the Issuer in respect of such claim after the Effective Date;

B. in case of a Subsequent Claim which meets the Criteria, the Purchase Price shall be adjusted as follows: (i) within 5 (five) Business Days from the day in which the relevant Originator or the Issuer, as the case may be, becomes aware of the fact that a Subsequent Claim meets the Criteria, it shall give written notice to the other party; (ii) further to the written notice, the Issuer shall reimburse to the relevant Originator at the following Payment Date in accordance with the provisions of the Intercreditor Agreement: (a) an amount equal to the Individual Purchase Price which would have been paid if the Subsequent Claim were correctly inserted in annex A to the relevant Transfer Agreement; less (b) the aggregate of all amounts recovered and/or collected by the relevant Originator in respect of such Subsequent Claim after the relevant Effective Date.

APPLICABLE LAW AND JURISDICTION

The Transfer Agreements are in Italian. The Transfer Agreements and all non contractual obligations

arising out or in connection with the Transfer Agreements are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements, the parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENTS

The description of the Warranty and Indemnity Agreements set out below is a summary of certain features of the Warranty and Indemnity Agreements and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreements. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreements upon request at the registered offices of the Representative of the Noteholders and the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Warranty and Indemnity Agreements.

Under a warranty and indemnity agreement entered into on the Initial Signing Date (as subsequently amended) among the Issuer, Banca CR Savigliano, Banca MCFVG and CR Saluzzo (the "**Initial Warranty and Indemnity Agreement**"), Banca CR Savigliano, Banca MCFVG and CR Saluzzo gave certain representations and warranties as to, *inter alia*, the Initial Claims they transferred pursuant to the relevant Initial Transfer Agreement and the respective Initial Loans, their full title over such Initial Claims, their corporate existence and operations and their collection and recovery policy. Moreover, Banca CR Savigliano, Banca MCFVG and CR Saluzzo have agreed to indemnify and hold harmless the Issuer from and against all damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising to it by reason of any misrepresentation of any of Banca CR Savigliano, Banca MCFVG and CR Saluzzo in the Initial Warranty and Indemnity Agreement or any default of Banca CR Savigliano, Banca MCFVG and CR Saluzzo under the Initial Warranty and Indemnity Agreement and/or the relevant Initial Transfer Agreement and/or the Initial Servicing Agreement.

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement and resigned from all of its roles under the Transaction (the "**Resignation**"). Further to the Resignation, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, in their capacities as Originators, entered into with the Issuer on the Subsequent Signing Date a new warranty and indemnity agreement (the "**Subsequent Warranty and Indemnity Agreement**") pursuant to which each Originator has given certain representations and warranties in favour of the Issuer in relation to the Subsequent Portfolios.

REPRESENTATIONS AND WARRANTIES OF THE ORIGINATORS

Each of the Originators represented and warranted with respect to itself and the relevant Claims (therefore, under the Initial Warranty and Indemnity Agreement in relation to the Initial Portfolios and under the Subsequent Warranty and Indemnity Agreement in relation to the Subsequent Portfolios), are as to, *inter alia*, the following matters:

General

(i) it is a bank duly incorporated as a *società per azioni* and is duly organised and validly existing under the laws of Italy;

(ii) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the relevant Warranty and Indemnity Agreement and it has taken all necessary actions whatsoever required to authorise its entry into, delivery and performance of the relevant Warranty and Indemnity Agreement and the terms thereof, including, without limitation, the sale and assignment of the relevant Claims;

(iii) the execution, delivery and performance by it of the relevant Warranty and Indemnity Agreement and the other Transaction Documents and all other instruments and documents to be delivered pursuant thereto and all transactions contemplated thereby do not contravene or result in a default under, (i) its corporate constitutional documents, (ii) any law, rule or regulation applicable to it, (iii) any contractual restriction contained in any agreement or other instrument binding on it or affecting it or its property or (iv) any order, writ, judgment, award,

injunction or decree binding on or affecting it or its property, and do not and will not result in the creation of any adverse claim;

(iv) provisions of the relevant Warranty and Indemnity Agreement are legal, valid and binding and are enforceable against it in accordance with its terms;

(v) there is no litigation, current, pending or threatened against it, nor has any action or administrative proceeding of or before any court or agency been started or threatened against it, which might or could materially affect its ability to observe and perform its obligations under the relevant Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;

(vi) it is solvent and there is no fact or matter which might render it insolvent or subject to any insolvency proceedings, nor will it be rendered insolvent as a consequence of entering into the relevant Warranty and Indemnity Agreement or the other Transaction Documents to which it is a party or of performing any of the obligations herein or therein contained;

(vii) since 31 December 2015, being the date of their most recent published full audited accounts, approved, respectively, on (i) 27 April 2016 with respect to Banca CR Savigliano, (ii) 9 May 2016 with respect to Banca MCFVG; (iii) 7 May 2016 with respect to Banca Alpi Marittime; and (iv) 30 March 2016 with respect to CR Cento, there has been no material adverse change in their respective financial or operative condition which would adversely affect the ability to observe and perform their respective obligations under the relevant Warranty and Indemnity Agreement and the other Transaction Documents to which each of them is a party;

(viii) the information relating to itself (including, without limitation, information with respect to its mortgage loan business), the relevant Claims and the relevant Loans supplied to the Issuer is true and correct in all material respects.

The Claims, the Loans, the Real Estate Assets and the Mortgage Loans

(i) it holds sole and unencumbered legal title to the relevant Claims; it has not assigned (whether absolutely or by way of security), mortgaged, charged, transferred, disposed or dealt with or otherwise created or allowed to arise or subsist an adverse claim in respect of their title and interest in and to and the benefit of the relevant Claims, the relevant Loans and the relevant Mortgages;

(ii) the Claims, the Loans, the Mortgages and the Real Estate Insurance Policies are governed by Italian law and are legal, valid, binding and enforceable under the same and in particular the Loans comply with all rules and regulations (i) on compounding of interests, (ii) on consumer protection, (iii) on the prevention of usury, (iv) on data protection and privacy protection, and (v) provided by the Consolidated Banking Act; the Mortgage Loans have been executed as a public deed (*atto pubblico*) before a notary public (*notaio*) or as a private deed notarized by a notary public;

(iii) each Loan has been fully disbursed to or to the account of the relevant Borrower and there is no obligation on its part to advance or disburse further amounts in connection therewith;

(iv) the sale of the relevant Claims to the Issuer pursuant to the relevant Transfer Agreement will not affect the obligation of the related Borrower under the relevant Loans;

(v) the Claims constitute a portfolio of monetary claims, as a pool (*individuabili in blocco*), pursuant to Law 130, the Consolidated Banking Act and the implementation rules, and the Criteria identify such pool of monetary claims, with respect to the Borrowers, guarantors and third parties;

(vi) all consents, licenses, approvals or authorisations of or registrations or declarations with any governmental or other public authority required to be obtained, effected or provided for the validity and enforceability of the Claims, the Loans and/or the Mortgages have been duly obtained, effected or provided and are in full force and effect; and all costs, expenses and taxes required to be paid in connection with the execution of the Loans or for the validity and enforceability of the Claims, the Loans and/or the Mortgages have been duly paid;

(vii) the Real Estate Assets are located in Italy;

(viii) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;

(ix) each of the Real Estate Assets is free from damage and waste, in good condition and there are no proceedings, actual or threatened, in relation thereto;

(x) each of the Real Estate Assets (i) is duly registered with the competent land registries (*Nuovo Catasto Edilizio Urbano, Nuovo Catasto Terreni, Ufficio del Registro* and *Ufficio delle Entrate*), (ii) complies with all applicable laws;

(xi) the Claims deriving from Mortgage Loan Agreements (provided that the relevant Mortgage has not been created on land (*terreno*)) are assisted by Real Estate Insurance Policies;

(xii) no Borrower, mortgagor and/or guarantor is (i) a public entity ("*pubblica amministrazione"* or *"ente pubblico"*); or (iii) a religious entity ("*ente ecclesiastico*");

(xiii) no Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and the guidelines issued by the European Central Bank (ECB) in December 2014 (*Implementation of the Eurosystem monetary policy framework*), as subsequently amended and/or supplemented, for liquidity and/or open market transactions carried out with such central bank;

(xiv) the Loans do not include at the signing date of the Warranty and Indemnity Agreement and will not include at the Issue Date, non performing loans pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and the guidelines issued by the European Central Bank (ECB) in December 2014 (*Implementation of the Eurosystem monetary policy framework*), as subsequently amended and/or supplemented, for liquidity and/or open market transactions carried out with such central bank;

(xv) the Borrowers are all qualified as micro, small and medium enterprises (*microimprese, piccole imprese e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time and the guidelines issued by the European Central Bank (ECB) in December 2014 (*Implementation of the Eurosystem monetary policy framework*), as subsequently amended and/or supplemented, for liquidity and/or open market transactions carried out with such central bank;

(xvi) all the Borrowers and guarantors, which are individuals, are resident in Italy;

(xvii) all the Borrowers and guarantors, which are entities (*persone giuridiche*), are incorporated under Italian law and have their registered office in Italy; and

(xviii) no Loan Agreement could be classified as leasing agreement.

UNDERTAKINGS OF THE ORIGINATORS

Under the relevant Warranty and Indemnity Agreement, each Originator has undertaken, with respect to itself, the relevant Claims and the respective Loans and the Mortgages securing them, *inter alia*, as follows:

(a) without prejudice to the non-recourse nature (*natura pro soluto*) of the assignment effected pursuant to the relevant Transfer Agreement, to refrain from carrying out or purporting to carry out any activity with respect to the relevant Claims which may adversely affect them, and in particular: before the date of publication of the applicable notice of assignment of the relevant Claims in the Official Gazette and registration of the assignment of the relevant Claims in Companies' Register; (i) not to assign and/or transfer, the whole or any part of, any of the relevant Claims to any third party; and (ii) not to create or allow to be created or to arise or to allow to exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the relevant Claims, or any part thereof;

(b) not to execute any agreement, deed or document or enter into any arrangement purporting to assign, or otherwise dispose of, any of the relevant Loans or to create or allow to be created or allow to arise or exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the relevant Loans;

(c) not to instruct any Borrower or guarantor to make any payment with respect to any of the relevant Claims differently from as provided for in the Transaction Documents or as instructed in writing by the Issuer;

(d) otherwise as provided in the Servicing Agreement, not to take any action likely to cause or permit any of the relevant Claims to become invalid or diminish their respective rights;

(e) to co-operate with the Issuer to perform any and all acts, carry out any and all actions, and execute any and all documents as the Issuer may reasonably deem necessary in connection with the relevant Warranty and Indemnity Agreement and the other Transaction Documents;

(f) to comply fully and in a timely manner with and observe any and all provisions, covenants and other terms to be complied with, insofar as necessary in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the relevant Claims;

(g) to assist and fully co-operate with the Issuer in any eventual due diligence relating to the relevant Claims which the Issuer may wish to carry out after the date of the relevant Warranty and Indemnity Agreement;

(h) to maintain in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the relevant Claims, the relevant Loans and the relevant Mortgages;

(i) to comply with all applicable laws and regulations (including all rules, orders and instruments) with respect to the relevant Claims, the relevant Loans, the relevant Mortgages and their administration and management;

(j) to grant access to the Issuer, its agents and nominees to its premises for purposes of examining records, documents and data in relation to the relevant Claims, to copy them and to discuss any issues concerning the relevant Claims with its accountants and other appointed personnel;

(k) to pay all costs, fees and taxes due promptly in relation to the execution, filing, registration, etc., of the relevant Warranty and Indemnity Agreement and the other Transaction Documents;

(l) save as provided for in the Servicing Agreement, not to agree to any amendment of or waiver to any terms and conditions of the relevant Loans and/or the relevant Mortgages which might adversely affect the timely recovery of the relevant Claims, the ability of the Issuer to enforce its rights, claims, powers and benefits against the Borrowers and/or the guarantors or the validity of the relevant Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims.

INDEMNITY

Under clause 5 of the relevant Warranty and Indemnity Agreement, each of the Originators agreed to indemnify the Issuer, its representatives and agents from and against any and all damages, losses, claims, liabilities and related costs and expenses, including legal fees and disbursements awarded against or suffered or incurred by it as a consequence of or in relation to, *inter alia*:

(a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the relevant Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party which shall have been false, incorrect or misleading when made or delivered;

(b) its failure to comply with any term, provision or covenant contained in the relevant Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party and its failure to comply with any applicable law, rule or regulation with respect to the relevant Claims, the relevant Loans, the relevant Mortgages, the relevant Real Estate Assets and the relevant Real Estate Insurance Policies;

(c) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the relevant Transfer Agreement, free and clear of any adverse claim;

(d) any dispute, claim or defence of the Borrowers, the guarantors or the Insurance Companies related to the payment of any relevant Claim;

(e) any judicial or out of court set-off of the assigned Borrower in relation to the payment of any relevant Claim arising before or after the execution date of the relevant Warranty and Indemnity Agreement under the relevant Loans or under or pursuant to any contract, deed, document, action, event or circumstance.

RIGHT OF RE-TRANSFER OF THE ISSUER

The Issuer and the Originators agreed that, if the indemnities to be paid by the Originators under clause 5 of the relevant Warranty and Indemnity Agreement are not paid within the term set out under clause 5.3 thereto, the Issuer will have the right to re-transfer to the relevant Originator, upon expiry of such term, and in accordance with article 1331 of the Italian civil code, the relevant Claims to which the false or incorrect representation or warranty which gave rise to the indemnity right refers (the "**Affected Claims**"). The effectiveness of the re-transfer is subject to the payment by the relevant Originator of the purchase price of the Affected Claims (the "**Affected Claims Purchase Price**").

The Affected Claims Purchase Price will be equal to: **(a)** the Individual Purchase Price of the Affected Claims less any principal amount recovered or collected by the Issuer on the Affected Claims, plus **(b)** interest accrued or accruing on the Individual Purchase Price of the Affected Claims (lowered, after the relevant first Payment Date, of an amount equal to the sum of the principal component of all the Instalments recovered with reference to the relevant Affected Claims from the relevant Effective Date (included)) from the relevant Issue Date (included) until the Payment Date (excluded) following the date in which the relevant payment of the Affected Claims Purchase Price has been made; plus **(c)** costs and documented expenses incurred by the Issuer in relation to the Affected Claims as at the date of payment of the Affected Claims Purchase Price. The Affected Claims Purchase Price shall be paid

within 7 (seven) Business Days following receipt by the relevant Originator of the Notice of Re-transfer.

Within the date of payment of the Affected Claims Purchase Price, the relevant Originator shall deliver to the Issuer: (i) a certificate issued by the competent Chamber of Commerce stating, among others, that the relevant Originator is not subject to any bankruptcy proceeding, dated not before 10 (ten) days prior to the payment of the Affected Claims Purchase Price; (ii) a certificate of the bankruptcy court ("*tribunale civile – sezione fallimentare*") (save in case the issuance of such certificate is not allowed by the relevant bankruptcy court) confirming that the relevant Originator is not subject to any insolvency or similar proceedings, dated not before 10 (ten) days prior to the payment of the Affected Claims Purchase Price; and (iii) a solvency certificate signed by a legal representative duly authorized by the relevant Originator dated as of the date on which the relevant Affected Claims Purchase Price has been paid. Any and all costs, expenses and duties in relation to the re-transfer of the Affected Claims will be borne by the relevant Originator.

USURY

Under the relevant Warranty and Indemnity Agreement, each of the Originators represented to the Issuer that the interest rates of the relevant Loans comply with the Usury Law and they agreed to indemnify the Issuer against any damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising as a consequence or in relation to any claims being brought by the Borrowers or other third parties on the grounds of the Usury Law.

APPLICABLE LAW AND JURISDICTION

The Warranty and Indemnity Agreements are in Italian. The Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreements are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Warranty and Indemnity Agreements and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement,s the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE SERVICING AGREEMENT AND THE BACK-UP SERVICING AGREEMENT

The description of the Servicing Agreement and the Back-Up Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and the Back-Up Servicing Agreement, respectively and is qualified in its entirety by reference to the detailed provisions of such agreements. Prospective Noteholders may inspect a copy of the Servicing Agreement and the Back-Up Servicing Agreement upon request at the registered offices of the Representative of the Noteholders and the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Servicing Agreement and the Back-Up Servicing Agreement, as the case may be.

THE SERVICING AGREEMENT

On the Initial Signing Date, the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo, entered into a servicing agreement, as subsequently amended, (the "**Servicing Agreement**"), pursuant to which each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo has agreed to administer and service the relevant Initial Portfolio on behalf of the Issuer and in particular to collect amounts due in respect thereof and to commence and pursue enforcement proceedings and to negotiate and settle the Initial Claims in default.

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement and resigned from all of its roles under the Transaction (the "**Resignation**"). Further to the Resignation, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, on the Subsequent Signing Date, in their capacities as servicers (the "**Servicers**"), entered into an amendment agreement to the Servicing Agreement, pursuant to which each Servicer has agreed inter alia to administer and service the relevant Initial Portfolios and Subsequent Portfolios on behalf of the Issuer and in particular to collect amounts due in respect thereof (the "**Administration of the Portfolios**") and to commence and pursue enforcement proceedings and to negotiate and settle the Claims in default (the "**Management of the Claims in Default**").

In particular Banca CR Savigliano has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 1, (ii) Banca MCFVG has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 2, (iii) Banca Alpi Marittime has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 3; and (iv) CR Cento has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 4.

Pursuant to the Servicing Agreement, the Servicers are responsible for the receipt of cash collections in respect of the relevant Loan and related Claims and for cash and payment services pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-*bis*, of the Securitisation Law, the Servicers are also responsible for ensuring that such activities comply with the provisions and regulations of Italian law. The Servicers shall comply with certain collection policies specified in the Servicing Agreement (the "**Collection Policies**") in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide, *inter alia*, the Issuer with Quarterly reports (the "**Quarterly Servicing Reports**"). The Servicers shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers shall be entitled to settle and renegotiate the relevant Claims only in accordance with the Servicing Agreement.

All amounts collected from the Assigned Debtors shall be paid on the relevant Collections and Recoveries Accounts in accordance with the terms of the Servicing Agreement (all such collections the "**Collections**"). The relevant Servicer will convert any non-cash Collections received by it into equivalent amounts of cash and will credit such cash to the relevant Collections and Recoveries Account.

Each of the Servicers will carry out its obligations under the Servicing Agreement in accordance with the relevant Collection Policy. This policy may be amended from time to time in accordance with the Servicing Agreement.

SETTLEMENT AGREEMENTS AND RENEGOTIATION AUTHORITY

Each Servicer, in compliance with the relevant Credit and Collection Policy and Recovery Procedures, to the extent of the provisions of clause 7 of the Servicing Agreement, will be entitled to carry out the activities substantially indicated herebelow. It being understood that the limits set out under clause 7 of the Servicing Agreement shall not apply with respect to:

(i) any activities imposed by any mandatory provisions of law,

(ii) any activities carried out pursuant to the New PMI Convention, or

(iii) any other activity, involving the suspension or the deferment of the payment of the principal quota of the Instalments, which might be mandatory for the relevant Originator in the future upon its adhesion to any other agreement or convention similar to the New PMI Convention; it being understood that the adhesion to such agreements or conventions shall be notified to the Rating Agencies by the relevant Originator;

it also being understood that:

(a) in case such agreements or conventions involve the suspension of payment of the principal quota of the Instalments, such suspension shall not cause the deferment of the date on which the payment of the principal quota of the single Instalment is due (i) for more than 18 (eighteen) months; or (ii) to a date later than 31 December 2041;

(b) in case such agreements or conventions involve a deferment causing the extension of the amortisation plan (including through the suspension of the payment of the principal quota of the single Instalments due, and in any case to the extent of what provided in paragraph (a) above), such deferment shall not be to a date later than 31 December 2041; and

(c) such agreements or conventions shall not, in any case, involve the renouncing by the relevant Servicer to amounts of principal due in relation to the Claims.

In relation to the Defaulted Claims ("*crediti in sofferenza*"), each Servicer, in case it is deemed necessary for the purpose of a more efficient administration of the collection procedures regarding the Claims, will be entitled to grant its consent to the partial release of the payments of the borrowers, renegotiate the terms of the Loan Agreements (including the interest rates) and enter into settlement agreements or agreements which grant deferments or suspensions of payments, without the prior written consent of the Representative of the Noteholders, provided that such transactions :

(i) do not involve the renouncing of a Defaulted Claim, or any amounts due with regard of such Defaulted Claim, for an amount higher than the 20% of the outstanding amount of the Claim as at the date of qualification of the same as a Defaulted Claim;

(ii) in case of deferments which involve the suspension of the payment of one or more Instalments, do not involve a deferment of the date on which the payment of the single Instalment or the full payment of a Defaulted Claim is due for more than 18 (eighteen) months;

(iii) in case of deferments which involve an extension of the amortization plan (including through the suspension of the single Instalments due, and in any case to the extent of what provided in paragraph (ii) above) do not involve a deferment of the date on which the payment of the

single instalment or the full payment of a Defaulted Claim is due for more than 36 (thirty-six) months,

being understood that:

A) in case the transactions contemplated by clause 7 of the Servicing Agreement exceed the limits of paragraph (i) above, the relevant Servicer will promptly indemnify the Issuer with respect to any amount not payable to the Issuer as a consequence of such transactions, directly crediting available funds on the relevant Collections and Recoveries Account (*Conto dell'Operazione*), and

B) the deferment indicated by paragraphs (ii) and (iii) above will be in no case after 31 December 2041.

Without prejudice to what provided for under item A) above, in case the transactions contemplated by clause 7 of the Servicing Agreement exceed the limits of paragraph (i), (ii) and (iii) above, each Servicer shall obtain the prior written consent of the Representative of the Noteholders in order to carry out such transactions. In order to obtain the consent of the Representative of the Noteholders in accordance with clause 7 of the Servicing Agreement, each Servicer undertakes to provide the documentation, information, and clarifications that the Representative of the Noteholders might reasonably require with respect to the Claims, the Loan Agreements, and the Mortgages and to make the staff which is in charge of the relevant activity available.

With regard to the Claims which are different from the Defaulted Claims, each Servicer will be entitled to renegotiate the terms of the Loan Agreements with regard to the applicable interest rate and to the amortization plan and to proceed with restrictions or reductions of the Mortgages provided that:

(i) in case of renegotiations related to the amortization plans, such transactions do not involve a deferment of the date on which the payment of the single Instalment is due, or the full payment of a Claim is due, for longer than 5 (five) years, it being understood that in no case such deferment should be (A) subsequent to 31 December 2041 and (B) starting from the New Effective Date regard Claims whose aggregate outstanding amount as at the relevant Effective Date (i) is higher than 15% of the aggregate amount outstanding of all Claims as at the relevant Effective Date and (ii) added to the renegotiations of paragraph 7.1.2 (iii) of the Servicing Agreement, is higher than 20% of the outstanding amount of all Claims as at the relevant Effective Date;

(ii) in case of restrictions or reductions of the Mortgages, the ratio (as at the date on which the restriction or reduction of the relevant Mortgage has been carried out) between (X) the relevant original Mortgage value and (Y) the outstanding amount of the Claim secured by such Mortgage, is equal to at least 150%; and

(iii) in case of renegotiations of the interest rates, such transactions, regard only the reduction of the spread (for Claims deriving from Loan Agreements with floating rates), or the interest rate (for Claims deriving from Loan Agreements with fixed rates) and (a) do not have as object, also considering the renegotiations pursuant to paragraph 7.1.2 (i) of the Servicing Agreement starting from the New Effective Date, an amount of Claims whose aggregate outstanding amount as at the relevant Effective Date is higher than 20% of the outstanding amount of all Claims of the relevant Portfolio as at the relevant Effective Date and (b) do not involve a reduction of the annual spread or of the fixed annual interest rate applicable to each Claim for an amount higher than 100 bps.

It being understood that, with respect to the Claims whose Loan Agreements have been renegotiated pursuant to both paragraph 7.1.2(iii) and paragraph 7.1.2(i), the relevant renegotiation activities shall be compliant with the limits set out under each of clauses 7.1.2(iii)(A) and 7.1.2(i)(B)(2).

Without prejudice to what provided by clause 7.1.2 of the Servicing Agreement, in relation to the eventual renegotiation of the terms of the Loan Agreements classified as in "*bonis*" in accordance with Bank of Italy regulations (*istruzioni di vigilanza*), the Servicer will not be entitled to grant any suspension, but will solely have the possibility to the extend the relevant amortization plan, save for (i) any activities imposed by any mandatory provisions of law, (ii) any activities carried out pursuant to the New PMI Convention, or (iii) any other activity which might be mandatory for the relevant Originator in the future upon its adhesion to any other agreement or convention similar to the New PMI Convention, without prejudice to the limits set out under clause 7.1(i), (ii) and (iii) of the Servicing Agreement.

In order to consent each Originator to keep good relationships with the Borrowers, each Originator has been given the power to make offers to repurchase the relevant Claims assigned by it pursuant to the relevant Transfer Agreement, whose outstanding amount as of the relevant Effective Date plus the outstanding amount of the Claims object of other preceding offers of the same Originator already accepted by the Issuer after the New Effective Date is not higher than the 30% of the outstanding amount of all Claims as of the relevant Effective Date.

Pursuant to the Servicing Agreement, each Originator shall deliver to the Issuer, together with the offer notice of repurchase of the Claims, (i) a certificate issued by the competent Chamber of Commerce stating, among others, that the relevant Originator is not subject to any bankruptcy proceeding, dated not before 10 (ten) days prior to the date of offer notice of repurchase of the Claims and (ii) a certificate of good standing signed by its legal representative having the date of the offer notice of repurchase of the Claims.

INFORMATION TECHNOLOGY

Each of the Servicers is authorised to delegate to its Information Technology Services Provider all data processing, information storage and retrieval, back-up and archive services for the Administration of the Portfolio and the Management of the relevant Claims in Default with respect to the Relevant Portfolio. Each of the Servicers will remain directly liable for the performance of all duties and obligations delegated to its Information Technology Services Provider and will be liable for the conduct of such Information Technology Services Provider. All fees, costs and expenses to be paid or reimbursed to its Information Technology Services Provider shall be borne by the relevant Servicer and the Issuer shall not be liable for any payment of whatever nature to its Information Technology Services Provider. Each of the Servicers may terminate the appointment of the Information Technology Services Provider and internalize such activity or appoint a suitable replacement information technology services provider which is an Authorised Company, provided that (i) the service will be granted without interruption because of such replacement and (ii) such replacement will be communicated to the Rating Agencies and the Representative of the Noteholders.

FEES AND EXPENSES

As consideration for the services provided by the Servicers, the Issuer will pay to each of the Servicers on each Payment Date, in accordance with the applicable Order of Priority, an amount equal to 0.15% (zero point fifteen per cent) *per amnum* of the outstanding amount of the relevant Claims of the Relevant Portfolio at the end of the immediately preceding Collection Period (the "**Servicing Fees**").

As regards the activity carried out in accordance with the Servicing Agreement, the Servicing Fees shall be considered as inclusive of the expenses and fees of external counsels and the judicial expenses (including taxes) incurred by the relevant Servicer.

Each of the Servicer has expressly waived its rights to set-off that may be provided for by law other than the Servicing Fees. It has also expressly waived its right to exercise any right to off-set the

amounts due to it from the Issuer against the Collections or any other amount owed by the relevant Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

UNDERTAKINGS OF EACH OF THE SERVICERS

Each of the Servicers has undertaken, with respect to the relevant Claims of the Portfolio which it has been appointed to service, *inter alia*:

(i) to carry out the Administration of the Relevant Portfolio and the Management of the Claims in Default with due skill and care in accordance with the relevant Collection Policy and with all applicable laws and regulations;

(ii) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;

(iii) save as otherwise provided in the Collection Policy and in the Servicing Agreement, not to release or consent to the cancellation of all or part of the relevant Claims unless ordered to do so by a competent judicial or other authority or by the Issuer;

(iv) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the relevant Claims from all other funds of such Servicer;

(v) to ensure that the Transaction is consistent with the law and this Prospectus;

(vi) to comply with all authorisations, approvals, licenses and consents required for the fulfillment of its obligations under the Servicing Agreement.

Each of the Servicers has undertaken to monitor the relevant insurance policies covering the risks related to the Real Estate Assets and to act so as to maintain such insurance policies, as valid, effective and binding until the Claim guaranteed by the Real Estate Assets has been fully paid up by the relevant Borrower.

The Servicers undertake to cooperate, for a reasonable period of time, with the Back-Up Servicer and to make available to it any resource belonging to, or service carried out, in its internal departments in order to allow the Back-Up Servicer to have a knowledge of (i) the Originators' devices which are used with respect to the Issuer and (ii) the report procedures which are used in the context of the Securitization, in order for the Back-Up Servicer to be able to use such devices and report procedures in case of replacement of the relevant Servicer.

In case of a material breach by the Servicers of their obligations under the Servicing Agreement with respect to the Administration of the Portfolios and/or the Management of the Claims in Default, the Issuer and/or the Representative of the Noteholders shall be entitled, jointly or severally to perform the relevant obligations in the name and on behalf of the Servicers or to cause them to be performed by third parties in the name and on behalf of the relevant Servicer.

TERMINATION OF APPOINTMENT

The Issuer may terminate the appointment of one or more Servicer in certain circumstances including, *inter alia*, (i) the insolvency of such Servicer, (iii) a breach of the Servicing Agreement, which remains unremedied for a period longer than 10 (ten) days after a written request to comply with its obligations from the Issuer and/or the Representative of the Noteholders (in the name and on behalf of the Issuer); and (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 4 (four) days after the relevant due date of payment. In addition, each of the Servicer may resign at any time after 24 (twenty-four) months from the stipulation date of the Servicing Agreement upon giving 12 (twelve) months prior written notice. It is agreed that the

termination of the relevant Servicer shall become effective only upon the Substitute Servicer or the Back-Up Servicer taking over the activities to be performed under the Servicing Agreement by such Servicer.

In case an insolvency event occurs in respect of any of the Originators (or in case of merger among two or all the Originators) or in any other circumstance indicated in clause 9.1.3.1 of the Servicing Agreement, by and not later than 30 Business Days of the assessment of the occurrence of such a circumstance, the Issuer, with the cooperation of the Corporate Services Provider and the Back-Up Servicer Facilitator, shall appoint a back-up servicer different from the Originators (the "**External Back-Up Servicer**") which shall replace the Servicers in case of its substitution pursuant to article 9 of the Servicing Agreement on the same terms and conditions as specified in the Servicing Agreement.

APPLICABLE LAW AND JURISDICTION

The Servicing Agreement is in Italian. The Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE BACK-UP SERVICING AGREEMENT

On or prior to the Initial Issue Date among the Issuer, Banca CR Savigliano, Banca MCFVG and CR Saluzzo entered into a back-up servicing agreement, pursuant to which the Issuer has appointed the back-up servicers to act as substitute of the servicers in the event indicated in such agreement (in particular, (i) CR Saluzzo (firstly) and Banca MCFVG (secondly) had to act as substitute of Banca CR Savigliano as servicer; (ii) Banca CR Savigliano (firstly) and Banca MCFVG (secondly) had to act as substitute of CR Saluzzo as servicer; and (iii) Banca CR Savigliano (firstly) and CR Saluzzo (secondly) had to act as substitute of Banca MCFVG as servicer (the "**Initial Back-Up Servicing Agreement**").

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement and resigned from all of its roles under the Transaction (the "**Resignation**").

Further to the Resignation, on the Subsequent Signing Date, the Issuer and each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, entered into a new back-up servicing agreement pursuant to which the Issuer has appointed the Back-Up Servicers to act as substitute of the Servicers in the event indicated in such agreement (the "**Back-Up Servicing Agreement**"). Pursuant to the Back-Up Servicing Agreement the Initial Back-Up Servicing Agreement has been terminated.

The Back-Up Servicing Agreement is in Italian. The Back-Up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-Up Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Back-Up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-Up Servicing Agreement, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents at the registered offices of the Representative of the Noteholders and the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transaction Documents.

THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement entered into on or prior to the Initial Issue Date between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider will provide the Issuer with certain corporate administration and management services. These services will include the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholders, directors and auditors and the meetings of the Noteholders, maintaining the quotaholders' register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders. The parties to the Corporate Services Agreement have also agreed to share certain costs and expenses of the Issuer arising in the context of the Transaction.

The Corporate Services Agreement is in Italian. The Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE INTERCREDITOR AGREEMENT

On or prior the Initial Issue Date, the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) and the Other Issuer Creditors entered into an intercreditor agreement (as amended on or about the Subsequent Issue Date, the "**Intercreditor Agreement**").

On or prior the Subsequent Issue Date, Banca Alpi Marittime and CR Cento acceded to the Intercreditor Agreement in their capacities as Originators and Servicers.

The Intercreditor Agreement provides for, *inter alia,* the application of the Collections in respect of the Portfolios and sets out the Orders of Priority. Subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, all the Issuer Available Funds will be applied in or towards satisfaction of the Issuer's payment obligations towards the Noteholders as well as the Other Issuer Creditors, in accordance with the Acceleration Order of Priority provided in the Intercreditor Agreement.

The Intercreditor Agreement is in English. The Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE DEED OF PLEDGE

Under a deed of pledge entered into on or prior the Initial Issue Date (the "**Deed of Pledge**") among the Issuer, the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the "**Pledgees**"), the Issuer granted the Pledgees as security for its obligations under the Transaction Documents (i) a pledge over all the monetary contractual claims arising from certain Transaction Documents (other than the Deed of Pledge, the issue price under the Notes Subscription Agreements and the positive balance of the Accounts); and (ii) a pledge over the positive balance of the Accounts (other than the Quota Capital Account and the Accounts opened outside of Italy to the extent provided for by the Deed of Pledge).

The Deed of Pledge is in Italian. The Deed of Pledge and all non contractual obligations arising out or in connection with the Deed of Pledge are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Deed of Pledge and all non contractual obligations arising out or in connection with the Deed of Pledge the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement entered into on or prior the Initial Issue Date among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Irish Listing Agent, the Corporate Services Provider, the Servicers, the English Account Bank, the Italian Account Bank, the Agent Bank, the Computation Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager and the Representative of the Noteholders (as amended on or about the Subsequent Issue Date, the "**Cash Administration and Agency Agreement**"):

(a) each of the Paying Agents will perform certain services in relation to the Notes, including (i) arranging for the payment of principal and interest to the Monte Titoli Account Holders; and (ii) notify to Monte Titoli, on the basis of the information provided in the payments report, the amount of interest payable on the Notes on each Payment Date;

(b) the Agent Bank will calculate the amount of interest payable on the Notes in respect of each Interest Period;

(c) the Computation Agent will perform certain other calculations in respect of the Notes and set out, in a payments report, the payments due to be made by the Issuer on each Payment Date in accordance with the applicable Order of Priority and to prepare investors' reports providing information on the performance of the Portfolios;

(d) the Irish Listing Agent will procure certain services in relation to the listing of the Class A Notes; and

(e) the Cash Manager, the Italian Account Bank and the English Account Bank will provide the Issuer with certain cash administration and investment services, in relation to the monies standing, from time to time, to the credit of the relevant Accounts.

The Cash Administration and Agency Agreement is in English. The Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

Utilisation of the Cash Reserves

Pursuant to clause 14 of the Cash Administration and Agency Agreement,

1. on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Series A Notes, each of the Cash Reserves shall be utilised (as calculated by the Computation Agent):

   (A) firstly, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the relevant Single Interest Shortfall. In particular, each Relevant Cash Reserve shall be utilised for an amount equal to the lower of:

      (i) the relevant Single Interest Shortfall as at the Calculation Date immediately preceding such Payment Date; and

      (ii) the Relevant Cash Reserve Available Amount as at such Payment Date; and

   (B) thereafter (to the extent available after utilisation under item (A)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall. In particular, if, on any Payment Date before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Series A Notes, with respect to an Originator, the difference between:

      (i) the relevant Single Interest Shortfall as at such Payment Date; and

      (ii) the Relevant Cash Reserve Available Amount of the relevant Originator,

      is positive (such difference, the "**Relevant Cash Reserve Uncovered Amount**"), the Cash Reserves of the other Originators shall be utilised to provide support to such Relevant Portfolio. Each of the Cash Reserve of the other Originators shall be utilised (as calculated by the Computation Agent) for an amount equal to the lower of:

      (x) the product between (A) the Relevant Cash Reserve Available Amount (calculated by deducting the amount of the Cash Reserve of such Originator which shall be utilised on such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions) as at such Payment Date and (B) the Relevant Cash Reserve Individual Proportion calculated with reference to such Payment Date; and

      (y) the Relevant Cash Reserve Available Amount as at such Payment Date (calculated by deducting the amount of the Cash Reserve of such Originator which shall be utilised on such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions); and

2. on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Series A Notes, each Cash Reserve shall be utilised for an amount equal to the lower of:

   (x) the product between (A) the Relevant Cash Reserve Available Amount as at such Payment Date and (B) the Relevant Cash Reserve Individual Proportion calculated with reference to such Payment Date; and

   (y) the Relevant Cash Reserve Available Amount as at such Payment Date.

"**Relevant Cash Reserve Available Amount**" means, with respect to any Payment Date and each Originator:

(i) in relation to payments under clause 14.1(A) and 14.2 of the Cash Administration and Agency Agreement, (a) with respect to the First Payment Date, the amount standing to the credit of the Relevant Cash Reserve SubAccount on the Issue Date; and (b) with respect to any Payment Date thereafter, the lower of (i) the amount standing to the credit of the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve SubAccount in accordance with the applicable Order of Priority) and (ii) the Target Cash Reserve Amount on such Payment Date;

(ii) in relation to payments under clause 14.1(B) of the Cash Administration and Agency Agreement, the difference, if positive, between (a) the amount indicated under item (i) above, and (b) any payments made under clause 14.1(A) of the Cash Administration and Agency Agreement.

"**Relevant Cash Reserve Individual Proportion**" means:

(i) on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

  (x) the sum of the Relevant Cash Reserve Uncovered Amount related to all the Originators; and

  (y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date (calculated by deducting the amount of the relevant Cash Reserve of each Originator which shall be utilised at such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions);

(ii) on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Series A Notes, the ratio between:

  (x) the Interest Shortfall calculated as at the Calculation Date immediately preceding such Payment Date; and

  (y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date.

THE INITIAL SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Initial Issue Date among, *inter alios*, the Issuer, the Representative of the Noteholders, Banca CR Savigliano, Banca MCFVG and CR Saluzzo (the "**Initial Subscription Agreement**"), Banca CR Savigliano, Banca MCFVG and CR Saluzzo subscribed for the Series 1 Notes and paid to the Issuer the issue price for the Series 1 Notes and appointed the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Initial Subscription Agreement is in English language.

The Initial Subscription Agreement and all non contractual obligations arising out or in connection with it shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Initial Subscription Agreement and all non contractual obligations arising out or in connection with the Initial Subscription Agreement, the parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE SUBSEQUENT SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Subsequent Issue Date among the Issuer, the Representative of the Noteholders, the Co-Arrangers, Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento (the "**Subsequent Subscription Agreement**"), Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento subscribed for the Series 2 Notes and paid to the Issuer the issue price for the Series 2 Notes and appointed the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Subsequent Subscription Agreement is in English language.

The Subsequent Subscription Agreement and all non contractual obligations arising out or in connection with it shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Subsequent Subscription Agreement and all non contractual obligations arising out or in connection with the Initial Subscription Agreement, the parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE DEED OF CHARGE

Under the terms of a deed of charge executed by the Issuer on or prior to the Initial Issue Date (as amended on or about the Subsequent Issue Date, the "**Deed of Charge**" and together with the Deed of Pledge, the "**Security Documents**"), the Issuer assigned and charged in favour of the Security Trustee for itself, the Noteholders and the Other Issuer Creditors all the amounts and securities from time to time standing to the credit of the Payments Account, the Investment Accounts, Detrimental Reserve Account, Single Portfolio Detrimental Reserve Accounts, Principal Amortisation Reserve Accounts, the Cash Reserve Accounts and the Securities Accounts and any other future accounts which the Issuer may open in England and Wales pursuant to the Deed of Charge.

The Deed of Charge is in English and will be governed by and construed in accordance with English law. The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

THE AGREEMENT BETWEEN THE ISSUER AND THE QUOTAHOLDER

Under the terms of an agreement entered into on or prior the Initial Issue Date between the Quotaholder, the Representative of the Noteholders, the Originators and the Issuer (the "**Agreement between the Issuer and the Quotaholder**"), certain rules shall be set out in relation to the corporate governance of the Issuer.

The Agreement between the Issuer and the Quotaholder is in Italian. The Agreement between the Issuer and the Quotaholder and all non contractual obligations arising out or in connection with the Agreement between the Issuer and the Quotaholder shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Agreement between the Issuer and the Quotaholder and all non contractual obligations arising out or in connection with the Agreement between the Issuer and the Quotaholder, the Parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to a stichting corporate services agreement entered into on or prior to the Initial Issue Date (the "**Stichting Corporate Services Agreement**") between the Issuer, Wilmington Trust SP Services (London) Limited (the "**Stichting Corporate Services Provider**") and Stichting Dean, the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to Stichting Dean.

The Stichting Corporate Services Agreement will be governed by and construed in accordance with the laws of The Netherlands.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SERIES A-2017 NOTES AND THE SERIES M-2017 NOTES

Under the Conditions, the Final Maturity Date of the Series A-2017 Notes is the Payment Date falling on November 2048, the Final Maturity Date of the Series M-2017 Notes is the Payment Date falling on November 2050 and the Series 2 Notes will be subject to mandatory redemption in full or in part on any Payment Date on which the Issuer has sufficient available funds to be applied for this purpose in accordance with the applicable Order of Priority. The Series 2 Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the estimated average life of the Series A-2017 Notes and the Series M-2017 Notes on the basis of various assumptions regarding annual prepayment rates and certain other factors as indicated below.

The following assumptions, *inter alia*, have been made:

- the Issuer will not exercise its option to redeem the Notes on the Clean-Up Date pursuant to Condition 6.4 (*Optional Redemption*);

- there are no delinquencies or defaults occurred in respect of the Portfolios and the Loans are performing at any time during the life of the transaction;

- no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

- repayment of principal under the Series 2 Notes occurs from the Payment Date falling in May 2017 in accordance with the relevant Order of Priority;

- no Trigger Event will occur in respect of the Notes;

- no Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes;

- the constant prepayment rate, as per the table below, has been applied to each Relevant Portfolio in homogeneous terms.

- The actual performance of the Loans are likely to differ from the assumptions used in constructing the table set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Loans will cause the estimated weighted average life of the Series 2 Notes to differ (which difference could be material) from the corresponding information in the following table.

CONSTANT PREPAYMENT RATE (% *PER ANNUM*)	**SERIES A-2017 NOTES**	
	Estimated Average Life *(years)*	**Expected Maturity**
0.0	2.6	February 2023
2.0	2.4	August 2022
4.0	2.2	February 2022
6.0	2.0	August 2021
8.0	1.9	May 2021
10.0	1.8	February 2021

CONSTANT PREPAYMENT RATE (% *PER ANNUM*)	**SERIES M-2017 NOTES**	
	Estimated Average Life *(years)*	**Expected Maturity**
0.0	7.0	10 February 2025
2.0	6.4	10 May 2024
4.0	5.8	10 November 2023
6.0	5.4	10 May 2023
8.0	5.0	10 November 2022
10.0	4.6	10 May 2022

The base case assumption above reflects the current expectations of the Issuer but no assurance can be given that the redemption of the Series A-2017 Notes and the Series M-2017 Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Collection Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

The estimated average life of the Series A-2017 Notes and Series M-2017 Notes is subject to factors that are largely out of the control of the Issuer. As a consequence, no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.

TERMS AND CONDITIONS OF THE SERIES 2 NOTES

*The following is the entire text of the terms and conditions of the Class A Notes, the Series M-2017 Notes and the Class B Notes (as defined below) (the "**Conditions**"). In these Conditions, references to the "**holder**" or to the "**Noteholder**" of a Class A Note or a Class M Note or a Class B Note or to a Class A Noteholder or a Class M Noteholder or a Class B Noteholder are to the ultimate owners of the Class A Notes, Series M-2017 Notes and the Class B Notes issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and Resolution dated 22 February 2008 jointly issued by the Commissione Nazionale per le Societá e la Borsa ("**CONSOB**") and the Bank of Italy, as amended from time to time. The 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 Noteholders (as defined below).*

In these Conditions, references to (i) any agreement or other document shall include such agreement or another document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; (ii) any Other Issuer Creditor include references to any successors thereto appointed in accordance with the terms of the relevant Transaction Document (to the extent provided therein) and any of its respective assignees or successors in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under the Transaction Documents or to which under such laws the same have been transferred; and (iii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Series A-2013 Notes**"), the Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 (the "**Series B1-2013 Notes**"), the Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 (the "**Series B2-2013 Notes**") and the Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 (the "**Series B3-2013 Notes**" and together with the Series B1-2013 Notes and the Series B2-2013 Notes, the "**Series B-2013 Notes**" and together with the Series A-2013 Notes, the "**Series 1 Notes**") have been issued by Alchera SPV S.r.l. (the "**Issuer**") on 27 June 2013 (the "**Initial Issue Date**") in the context of a securitisation transaction (the "**Transaction**" or the "**Securitisation**") to finance the purchase of initial portfolios of monetary claims and connected rights (respectively, the "**Initial Portfolios**" and the "**Initial Claims**") arising under mortgage and unsecured loans (the "**Initial Loans**") pursuant to article 1 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*) ("**Law 130**" or the "**Securitisation Law**").

The Initial Portfolios have been purchased by the Issuer pursuant to the terms of three transfer agreements executed, pursuant to the Securitisation Law, on 6 June 2013 (the "**Initial Signing Date**") between the Issuer and, respectively, Banca Cassa di Risparmio di Savigliano S.p.A. ("**Banca CR Savigliano**"), Banca Mediocredito del Friuli Venezia Giulia S.p.A. ("**Banca MCFVG**") and Cassa di Risparmio di Saluzzo S.p.A. ("**CR Saluzzo**") (each an "**Initial Transfer Agreement**" and, collectively, the "**Initial Transfer Agreements**").

On 1 February 2017, CR Saluzzo repurchased from the Issuer the Initial Portfolio originally transferred through the relevant Initial Transfer Agreement (the "**CR Saluzzo Portfolio**") and resigned from all of its roles under the Transaction (the "**Resignation**").

Further to the Resignation and in the context of a restructuring of the Transaction (the "**Restructuring**"), each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime Credito Cooperativo Carrù Società Cooperativa per Azioni ("**Banca Alpi Marittime**") and Cassa di Risparmio di Cento S.p.A. ("**CR Cento**" and, together with Banca CR Savigliano, Banca MCFVG and Banca Alpi Marittime, the "**Originators**"), entered into with the Issuer on 1 February 2017 (the "**Subsequent Signing Date**") four new transfer agreements, pursuant to the Securitisation Law, (each a "**Subsequent Transfer Agreement**" and, collectively, the "**Subsequent Transfer Agreements**"

and, together with the Initial Transfer Agreements (other than the Initial Transfer Agreement entered into between the Issuer and CR Saluzzo), the "**Transfer Agreements**") in order to transfer to the Issuer additional portfolios of monetary claims and other connected rights (respectively, the "**Subsequent Portfolios**" and the "**Subsequent Claims**" and, together with, respectively, the Initial Portfolios (except for the CR Saluzzo Portfolio) and the Initial Claims (other than the Initial Claims arising under the CR Saluzzo Portfolio, the "**Portfolios**" and the "**Claims**")) arising under mortgage and unsecured loans (the "**Subsequent Loans**" and, together with the Initial Loans (except for the CR Saluzzo Portfolio), the "**Loans**").

The Euro 473,355,000.00 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Series A-2017**"), Euro 91,350,000.00 Class M Asset Backed Floating Rate Notes due November 2050 (the "**Series M-2017 Notes**") and four series of junior notes for an aggregate amount of Euro 205,820,000.00 divided as follows: Euro 60,860,000.00 Class B1 Asset Backed Floating Rate Notes due November 2050 (the "**Series B1-2017 Notes**"), Euro 33,730,000.00 Class B2 Asset Backed Floating Rate Notes November 2050 (the "**Series B2-2017 Notes**"), Euro 63,510,000.00 Class B3 Asset Backed Floating Rate Notes due November 2050 (the "**Series B3-2017 Notes**") and Euro 47,720,000.00 Class B4 Asset Backed Floating Rate Notes due November 2050 (the "**Series B4-2017 Notes**" and, together with the Series B1-2017 Notes, the Series B2-2017 Notes and the Series B3-2017 Notes, the "**Series B-2017 Notes**" and, together with the Series A-2017 Notes and the the Series M-2017 Notes, the "**Series 2 Notes**") will be issued by the Issuer on 10 February 2017 (the "**Subsequent Issue Date**") in order to finance the purchase of the Subsequent Portfolios (as defined above).

The Series 1 Notes together with the Series 2 Notes are together referred to as the "**Notes**".

The Portfolios will constitute as a whole, upon issuance of the Series 2 Notes, the principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Series 2 Notes.

Representations and warranties in respect (i) of the Initial Portfolios have been made by Banca CR Savigliano, Banca MCFVG and CR Saluzzo in favour of the Issuer under a warranty and indemnity agreement entered into between the Issuer and the Originators on 6 June 2013 (the "**Initial Warranty and Indemnity Agreement**"); and (ii) of the Subsequent Portfolios have been made by the Originators under a new warranty and indemnity agreement entered into between the Issuer and the Originators on 1 February 2017 (the "**Subsequent Warranty and Indemnity Agreement**" and, together with the Initial Warranty and Indemnity Agreement, the "**Warranty and Indemnity Agreements**").

In these Conditions, references to the "**Class A Noteholders**" are to the beneficial owners of the Class A Notes, references to the "**Class M Noteholders**" are to the beneficial owners of the Series M-2017 Notes references to the "**Class B Noteholders**" are to the beneficial owners of the Class B Notes and references to the "**Noteholders**" are to the beneficial owners of the Class A Notes and the Class B Notes.

The principal source of payment of amounts due under the Notes will be collections and recoveries made in respect of the Portfolios (the "**Collections**").

By operation of article 3 of Law 130, the Claims and the other Issuer's rights, title and interest in and to the Portfolios and to all the amounts deriving therefrom will be segregated from all the other assets of the Issuer and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Order of Priority (as set out in Condition 4 (*Orders of Priority*). The Issuer's rights, title and interest in and to the Portfolios may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in

relation to the Transaction until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations *vis-á-vis* the Other Issuer Creditors.

Under a servicing agreement entered into on 6 June 2013 (the "**Servicing Agreement**") among the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo, each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo has agreed to administer and service the relevant Initial Portfolio on behalf of the Issuer and in particular to collect amounts due in respect thereof and to commence and pursue enforcement proceedings and to negotiate and settle the Initial Claims in default.

Further to the Resignation and in the context of the Restructuring, each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, on the Subsequent Signing Date, in their capacities as servicers (the "**Servicers**"), entered into an amendment agreement to the Servicing Agreement, pursuant to which each Servicer has agreed *inter alia* to administer and service the relevant Initial Portfolios and Subsequent Portfolios on behalf of the Issuer and in particular Banca CR Savigliano has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 1, (ii) Banca MCFVG has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 2, (iii) Banca Alpi Marittime has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 3; and (iv) CR Cento has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 4. Each of the Servicers shall verify that the payment services to be provided in relation to the Transaction comply with Italian law.

Under a back-up servicing agreement entered into on or prior the Initial Issue Date between the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo, the Issuer has appointed Banca CR Savigliano, Banca MCFVG and CR Saluzzo to act as substitute of the servicers in the event indicated in the such agreement (the "**Initial Back-Up Servicing Agreement**").

Further to the Resignation and in the context of the Restructuring, on the Subsequent Signing Date, the Issuer and each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, entered into a new back-up servicing agreement pursuant to which the Issuer has appointed each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento to act as substitute of the Servicers (the "**Back-Up Servicers**") in the event indicated in such agreement (the "**Back-Up Servicing Agreement**"). Pursuant to the Back-Up Servicing Agreement the Initial Back-Up Servicing Agreement has been terminated.

Under a corporate services agreement entered into on or prior to the Initial Issue Date (the "**Corporate Services Agreement**") between the Issuer and Accounting Partners S.r.l. as corporate services provider (the "**Corporate Services Provider**") the Corporate Services Provider shall provide the Issuer with certain corporate administration services.

Under a notes subscription agreement entered into on or prior to the Initial Issue Date among, *inter alios*, the Issuer, Banca CR Savigliano, Banca MCFVG and CR Saluzzo and the Representative of the Noteholders (the "**Initial Subscription Agreement**"), Banca CR Savigliano, Banca MCFVG and CR Saluzzo subscribed for the Series 1 Notes and paid to the Issuer the issue price for the Series 1 Notes and appointed the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

Under a notes subscription agreement entered into on or prior to the Subsequent Issue Date among the Issuer, the Subscribers, the Representative of the Noteholders and the Co-Arrangers (the "**Subsequent Subscription Agreement**" and, together with the Initial Subscirption Agreement, the "**Subscription Agreements**"), (i) Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento shall subscribe and pay for the Series A-2017 Notes; (ii) Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento shall subscribe and pay for the Series M-2017 Notes; (iii) Banca CR Savigliano shall subscribe and pay for the Series B1-2017 Notes, Banca MCFVG shall subscribe and pay for the Series B2-2017 Notes, Banca Alpi Marittime shall subscribe and pay for the Series B3-

2017 Notes; CR Cento shall subscribe and pay for the Series B4-2017 Notes; and (iv) each of the Subscribers shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

Under a cash administration and agency agreement entered into on or prior to the Initial Issue Date (as subsequently amended and supplemented the "**Cash Administration and Agency Agreement**") among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Servicers, the Corporate Services Provider, Accounting Partners S.r.l. as representative of the Noteholders and computation agent (the "**Representative of the Noteholders**" and the "**Computation Agent**"), Citibank N.A., London Branch as principal paying agent, English account bank, cash manager and agent bank (the "**Principal Paying Agent**", the "**English Account Bank**", the "**Cash Manager**" and the "**Agent Bank**"), Citibank N.A., Milan Branch as Italian account bank and local paying agent (the "**Italian Account Bank**" and the "**Local Paying Agent**"), Investec Capital & Investments (Ireland) Limited as Irish listing agent (the "**Irish Listing Agent**"): (i) each of the Paying Agents has agreed to perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders and notify to Monte Titoli, on the basis of the information provided in the Payments Report, the amount of interest payable on the Notes in respect of each Interest Period; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes in respect of each Interest Period; (iii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and to set out, in a payment report, the payments due to be made under the Notes on each Payment Date; (iv) the Irish Listing Agent has agreed to procure certain services in relation to the listing of the Class A Notes and the Series M-2017 Notes; and (v) the Cash Manager, the English Account Bank and the Italian Account Bank have agreed to provide, *inter alia*, respectively certain cash administration and investment services, in respect of the amounts standing, from time to time, to the credit of the Accounts.

Under a deed of pledge entered into on or prior to the Initial Issue Date (the "**Deed of Pledge**") between the Issuer, the Noteholders and the Other Issuer Creditors (the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the "**Pledgees**"), the Issuer granted the Pledgees as security for its obligations under the Transaction Documents (i) a pledge over all the monetary contractual claims arising from certain Transaction Documents; and (ii) a pledge over the positive balance of the Accounts (other than the Quota Capital Account and the Accounts opened outside of Italy to the extent provided for by the Deed of Pledge).

Under an intercreditor agreement entered into on or prior to the Initial Issue Date (as subsequently amended and supplemented, the "**Intercreditor Agreement**") among the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Services Provider, the Security Trustee, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Computation Agent, the Servicers, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Stichting Corporate Services Provider, the Back-Up Servicers, the Back-Up Servicer Facilitator and the Subscribers, the Originators, the application of the Single Portfolio Available Funds and the Issuer Available Funds (each as defined below) has been set out. The Representative of the Noteholders has been appointed to exercise certain rights in relation to the Portfolios and in particular will be conferred the exclusive right (and the necessary powers) to make demands, give notices, exercise or refrain from exercising rights and take or refrain from taking actions (also through the Servicers) in relation to the recovery of the Claims in the name and on behalf of the Issuer.

Under a deed of charge governed by English law entered into on or prior to the Initial Issue Date (as subsequently amended and supplemented, the "**Deed of Charge**"), the Issuer has assigned and charged in favour of the Security Trustee for itself, the Noteholders and the Other Issuer Creditors all the amounts and securities from time to time standing to the credit of the Payments Account, the Investment Accounts, Detrimental Reserve Account, Single Portfolio Detrimental Reserve Accounts, Principal Amortisation Reserve Accounts, the Cash Reserve Accounts and the Securities Accounts and any other future accounts which the Issuer may open in England and Wales pursuant to the Deed

of Charge.

Under an agreement entered into on or prior to the Initial Issue Date between the Issuer, the Originators, the Representative of the Noteholders and Stichting Dean as quotaholder (the "**Quotaholder**"), certain rules have been set out in relation to the corporate management of the Issuer (the "**Agreement between the Issuer and the Quotaholder**").

Under a stichting corporate services agreement entered into on or about the Initial Issue Date (the "**Stichting Corporate Services Agreement**") between the Issuer, Wilmington Trust SP Services (London) Limited (the "**Stichting Corporate Services Provider**"), and the Quotaholder, the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholder.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreements, the Warranty and Indemnity Agreements, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreements, the Stichting Corporate Services Agreement, the Cash Administration and Agency Agreement, the Back-Up Servicing Agreement, the Deed of Pledge, the Agreement between the Issuer and the Quotaholder and the Deed of Charge (and, together with these Conditions, the "**Transaction Documents**"). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders and to the Irish Listing Agent.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the "**Rules of the Organisation of the Noteholders**" and the "**Organisation of the Noteholders**") attached hereto and which form an integral and substantive part of these Conditions.

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

"**Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.6 (*Acceleration Order of Priority*).

"**Accounts**" means collectively the Payments Account, the Collections and Recoveries Accounts, the Cash Reserve Accounts, the Investment Accounts, the Securities Accounts (if any), the Principal Amortisation Reserve Accounts (if any), the Detrimental Reserve Account (if any), the Single Portfolio Detrimental Reserve Accounts (if any) and the Quota Capital Account; and "**Account**" means any of them.

"**Additional Cash Reserve**" means the aggregate of the CR Savigliano Additional Cash Reserve, the Banca MCFVG Additional Cash Reserve, Banca Alpi Marittime Additional Cash Reserve and CR Cento Additional Cash Reserve.

"**Additional Reserve SubAccounts**" means collectively the Banca MCFVG Additional Reserve SubAccount, the Banca CR Savigliano Additional Reserve SubAccount, Banca Alpi Marittime Additional Reserve SubAccount and CR Cento Additional Reserve SubAccount.

"**Agent Bank**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Agents**" means the Irish Listing Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Computation Agent, the Italian Account Bank and the English Account Bank, collectively; and "**Agent**" means any of them.

"**Agreement between the Issuer and the Quotaholder**" means the agreement entered into on or prior to the Initial Issue Date between the Issuer, the Originators, the Representative of the Noteholders and the Quotaholder.

"**AIFM Regulation**" means the Commission Delegated Regulation (EU) no. 231/2013, as the same may be amended from time to time.

"**Arrear Claim**" means any Claim, other than a Defaulted Claim, in respect of which there are at least one Instalments due but unpaid for more than 30 (thirty) days.

"**Arrear Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the Outstanding Balance of all Claims which are Late Payments 90 Claims as at the immediately preceding Calculation Date, and (ii) the Outstanding Principal of the Claims (excluding the Defaulted Claims) at the immediately preceding Calculation Date.

"**Authorised Company**" means any company (i) whose management has at least 5 years prior experience in the activities which any of the Servicers intends to entrust to such company, (ii) employs a software which would empower it to fulfil the obligations deriving from its appointment without interruption (iii) has the ability to perform such activities with results equal to those required by the relevant Servicers under the Servicing Agreement.

"**Back-Up Servicers**" means:

(i) with respect to Banca CR Savigliano, Banca Alpi Marittime or, subordinately, Banca MCFVG or CR Cento, in accordance with the Back-up Servicing Agreement;

(ii) with respect to CR Cento, Banca Alpi Marittime or, subordinately, Banca Cr Savigliano or Banca MCFVG, in accordance with the Back-up Servicing Agreement;

(iii) with respect to Banca MCFVG, Banca Alpi Marittime or, subordinately, Banca CR Savigliano or CR Cento, in accordance with the Back-up Servicing Agreement;

(iv) with respect to Banca Alpi Marittime, Banca CR Savigliano or, subordinately, Banca MCFVG or CR Cento, in accordance with the Back-up Servicing Agreement; or

(v) the External Back-up Servicer,

or any other person from time to time acting as Back-Up Servicer.

"**Banca CR Savigliano**" means Cassa di Risparmio di Savigliano S.p.A.

"**Banca CR Savigliano Additional Cash Reserve**", means the monies standing from time to time to the credit of the CR Savigliano Additional Reserve SubAccount at any given date.

"**Banca CR Savigliano Cash Reserve**", means with respect to Banca CR Savigliano the monies standing from time to time to the credit of the Banca CR Savigliano Cash Reserve SubAccount at any given date.

"**Banca CR Savigliano Cash Reserve Account**" means the account divided in two subaccounts (respectively, the "**Banca CR Savigliano Cash Reserve SubAccount**" and the "**Banca CR Savigliano Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Banca CR Savigliano Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Banca CR Savigliano Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Banca CR Savigliano Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**Banca CR Savigliano Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the Banca CR Savigliano Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**Banca CR Savigliano Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca CR Savigliano Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca CR Savigliano Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca CR Savigliano Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Bankruptcy Proceedings**" means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento*, *concordato preventivo*, *liquidazione coatta amministrativa*, and the proceedings as set forth by article 182-*bis* of the Bankruptcy Law.

"**Banca Alpi Marittime**" means Banca Alpi Marittime Credito Cooperativo Carrù Società Cooperativa per Azioni.

"Banca Alpi Marittime Additional Cash Reserve" means the monies standing from time to time to the credit of the Banca Alpi Marittime Additional Reserve SubAccount at any given date.

"**Banca Alpi Marittime Cash Reserve**", means with respect to Banca Alpi Marittime the monies standing from time to time to the credit of the Banca Alpi Marittime Cash Reserve SubAccount at any given date.

"**Banca Alpi Marittime Cash Reserve Account**" means the account divided in two subaccounts (respectively, the "**Banca Alpi Marittime Cash Reserve SubAccount**" and the "**Banca Alpi Marittime Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Banca Alpi Marittime Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Banca Alpi Marittime Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Banca Alpi Marittime Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**Banca Alpi Marittime Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the Banca Alpi Marittime Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**Banca Alpi Marittime Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding, *provided that* the Banca Alpi Marittime Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca Alpi Marittime Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca Alpi Marittime Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca MCFVG**" means Banca Mediocredito del Friuli Venezia Giulia S.p.A.

"Banca MCFVG Additional Cash Reserve" means the monies standing from time to time to the credit of the Banca MCFVG Additional Reserve SubAccount at any given date.

"**Banca MCFVG Cash Reserve**", means with respect to Banca MCFVG the monies standing from

time to time to the credit of the Banca MCFVG Cash Reserve SubAccount at any given date.

"**Banca MCFVG Cash Reserve Account**" means the account divided in two subaccounts (respectively, the "**Banca MCFVG Cash Reserve SubAccount**" and the "**Banca MCFVG Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Banca MCFVG Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Banca MCFVG Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Banca MCFVG Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**Banca MCFVG Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the Banca MCFVG Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**Banca MCFVG Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding, *provided that* the Banca MCFVG Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca MCFVG Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca MCFVG Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Borrower**" means the debtors under the Claims and their transferors, assignees and successors.

"**Business Day**" means any day on which banks are open for business in Dublin, Milan and London on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open.

"**Calculation Date**" means the date falling on the 3rd day of February, May, August and November in

each year or, if such date is not a Business Day, the following Business Day.

"**Capital Requirements Directive**" or "**CRD**" means the Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time.

"**Cash Administration and Agency Agreement**" means the cash administration and agency agreement entered into on or prior to the Initial Issue Date among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Irish Listing Agent, the Corporate Services Provider, the Servicers, the English Account Bank, the Italian Account Bank, the Computation Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank and the Representative of the Noteholders, as subsequently amended and supplemented.

"**Cash Manager**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Cash Reserve**" means the aggregate of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve, the Banca Alpi Marittime Cash Reserve and the CR Cento Cash Reserve.

"**Cash Reserve Accounts**" means collectively, the Banca CR Savigliano Cash Reserve Account, the Banca MCFVG Cash Reserve Account, the Banca Alpi Marittime Cash Reserve Account and the CR Cento Cash Reserve Account and "**Cash Reserve Account**" means any of them.

"**Cash Reserve Amortisation Amount**" means each or all of the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**", the "**Banca Alpi Marittime Cash Reserve Amortisation Amount**" and the "**CR Cento Cash Reserve Amortisation Amount**, as the context requires.

"**Cash Reserve Release Conditions**" means, with reference to any Payment Date on which the Pre-Acceleration Order of Priority applies, the following events: (a) the Disequilibrium Event has not occurred; (b) the Detrimental Event has not occurred; (c) the First Single Portfolio Detrimental Event has not occurred; (d) no Trigger Event nor Cross Collateral Event has occurred; (e the Arrear Ratio does not exceed 7% (seven per cent) for three consecutive Payment Dates; (f) the balance of the Relevant Cash Reserve Account as of the immediately preceding Payment Date was equal to the Relevant Global Target Cash Reserve Amount.

"**Cash Reserve Excess**" means each or all of the Banca CR Savigliano Cash Reserve Excess, the Banca MCFVG Cash Reserve Excess, the Banca Alpi Marittime Cash Reserve Excess and the CR Cento Cash Reserve Excess, as the context requires.

"**Cash Reserve SubAccounts**" means collectively the Banca MCFVG Cash Reserve SubAccount, the Banca Alpi Marittime Cash Reserve SubAccount the CR Cento Cash Reserve SubAccount and the Banca CR Savigliano Cash Reserve SubAccount.

"**Claims**" means, collectively, the Initial Claims (other than the claims arising under the CR Saluzzo Portfolio) and the Subsequent Claims and "**Claim**" means each of these.

"**Class**" means the Class A Notes or the Series M-2017 Notes or the Class B Notes as the case may be.

"**Class A Margin**" means 0,40% *per annum*.

"**Class A Noteholders**" means the holder(s) of the Class A Notes.

"**Class A Notes**" means, collectively, the Series A-2013 Notes and the Series A-2017 Notes.

"**Class A Notes Principal Payment Amount**" means with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

"**Class B Noteholders**" means the holder(s) of the Class B Notes.

"**Class B Notes**" means, collectively, the Series B-2013 Notes and the Series B-2017 Notes.

"**Class M Margin**" means 1,10% *per annum*.

"**Class M Noteholders**" means the holders of the Series M-2017 Notes.

"**Clean-Up Date**" means the Payment Date falling in November 2021.

"**Clearstream**" means Clearstream Banking, Société Anonyme.

"**Co-Arrangers**" means (i) A & F S.r.l. and Eidos Partners S.r.l. in relation to the issuance of the Series 1 Notes; and (ii) A & F S.r.l. and StormHarbour Securities LLP in relation to the issuance of the Series 2 Notes.

"**Collection Date**" means 31 March, 30 June, 30 September and 31 December of each year.

"**Collection Period**" means each period starting on a Collection Date (but excluding) and ending on the following Collection Date (and including), save for the First Collection Period related to each Portfolio that starts on the relevant Effective Date (included) and ending on the relevant First Collection Date (included).

"**Collection Policy**" means, with respect to the Servicers, the collection policy applied by the Servicers in relation to the Portfolios.

"**Collections**" means all the amounts collected and/or recovered under the Claims on or after the Transfer Date and any amount received by the Issuer from the Servicers pursuant to the Servicing Agreement.

"**Collections and Recoveries Accounts**" means the four accounts opened by the Issuer with the Italian Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose, and which shall be opened only with an Eligible Institution.

"**Computation Agent**" means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

"**Conditions**" means the terms and conditions of the Class A Notes, the Series M-2017 Notes and of the Class B Notes and references to any "**Condition**" are references to such Condition in the specified terms and conditions if specified, or otherwise in any terms and conditions.

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

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993 as subsequently amended.

"**Corporate Services Provider**" means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

"**Corporate Services Agreement**" means the corporate services agreement entered into on or prior to the Initial Issue Date between the Issuer and the Corporate Services Provider, as subsequently amended and supplemented.

"**CR Cento**" means Cassa di Risparmio di Cento S.p.A.

"**CR Cento Additional Cash Reserve**" means the monies standing from time to time to the credit of the CR Cento Additional Reserve SubAccount at any given date.

"**CR Cento Cash Reserve**" means with respect to CR Cento the monies standing from time to time to the credit of the CR Cento Cash Reserve SubAccount at any given date

"**CR Cento Cash Reserve Account**" means the account divided in two subaccounts (respectively the "**CR Cento Cash Reserve SubAccount**" and the "**CR Cento Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**CR Cento Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each CR Cento Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the CR Cento Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**CR Cento Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the CR Cento Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**CR Cento Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the CR Cento Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**CR Cento Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the CR Cento Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**CR Saluzzo Portfolio**" means the portfolio purchased by the Issuer from CR Saluzzo on the Initial Signing Date and repurchased by CR Saluzzo on 1 February 2017.

"**Criteria**" means collectively the General Criteria and the Specific Criteria.

"**Critical Obligations Rating**" or "**COR**" means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

"**Cross Collateral Event**" has the meaning ascribed to it in Condition 10 (*Cross Collateral Events*).

"**Cross Collateral Notice**" has the meaning ascribed to it in Condition 10 (*Cross Collateral Events*).

"**Cross Collateral Order of Priority**" has the meaning ascribed to it in Condition 4.7 (*Cross Collateral Order of Priority*).

"**Cumulative Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 8%.

"**Custody Terms and Conditions**" means the terms and conditions of the custody agreement, which will apply in respect of custody services relating to the Eligible Investments (being securities) to be deposited on the Securities Accounts.

"**DBRS**" means DBRS Ratings Limited.

"**DBRS Equivalent Rating**"means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC

C	C	D	D

"**Deed of Charge**" means the deed entered into between the Issuer and the Security Trustee on or about the Initial Issue Date, as subsequently amended and supplemented.

"**Deed of Pledge**" means the deed entered into between the Issuer, the Noteholders acting through the Representative of the Noteholders and the Other Issuer Creditors acting through the Representative of the Noteholders on or about the Initial Issue Date.

"**Default Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims which have become Defaulted Claims since the Subsequent Effective Date (calculated on the date on which the Claim is classified Defaulted Claim), and (ii) the Outstanding Principal of the Claims as at the Subsequent Effective Date.

"**Defaulted Claim**" means any Claim which is classified as "*in sofferenza*" by each Servicer pursuant to the relevant Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy or a Claim which has at least, as the case may be: (i) 12 Unpaid Instalments in relation to Claims with monthly Instalments; (ii) 5 Unpaid Instalments in relation to Claims with quarterly Instalments; and (iii) 3 Unpaid Instalments in relation to Claims with semi-annual Instalments.

"**Detrimental Event**" has the meaning ascribed to it in Condition 4.4 (*Pre-Acceleration Order of Priority*).

"**Detrimental Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**Detrimental Reserve Account**" means the account which may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Detrimental Reserve Amount**" means, with respect to any Payment Date, the difference between:

(i) the Single Portfolio Available Funds or the Issuer Available Funds (as applicable) in respect of such Payment Date; and

(ii) the aggregate of all payments to be made out of the relevant Single Portfolio Available Funds under items (*First*) to (*Fourteenth*) of the Pre-Acceleration Order of Priority, or out of the Issuer Available Funds (as applicable) under items (*First*) to (*Twelfth*) of the Cross Collateral Order of Priority on such Payment Date.

"**Disequilibrium Event**" has the meaning ascribed to it in Condition 4.2 (*Pre-Acceleration Order of Priority*).

"**Disequilibrium Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

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

"**Effective Date**" means (i) in relation to the Initial Portfolios sold on 6 June 2013 the 00.01 hours of 1 June 2013; and (ii) in relation to the Subsequent Portfolios sold on 1 February 2017 the 00.01 hours of 1 January 2017.

"**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 have at least the following ratings:

(**i**) with respect to S&P:

(a) at least "BBB+" as a long-term rating by S&P (other than with respect to the Italian Account Bank); or

(b) at least "BBB-" as a long-term rating by S&P with respect to any institution acting as Italian Account Bank and, only if required by S&P published criteria applicable from time to time with respect to Bank Branches in the EU and the Eurozone, the long-term rating of the Republic of Italy is at least "BBB-".

(**ii**) with respect to DBRS, a minimum eligible rating of "BBB(high)", meaning the higher of

(a) the rating one notch below the relevant institution's Critical Obligations Rating (COR) given by DBRS; or, in case the institution does not have a COR rating by DBRS,

(b) at least "BBB(high)" by DBRS in respect of long-term debt public rating; or, if there is no such public rating, in respect of long-term debt private rating; or, if there is no such private rating, in respect of the internal assessment;

or such other rating being compliant with the S&P and DBRS published criteria applicable from time to time.

"**Eligible Investments**" means:

(i) any Euro denominated senior (unsubordinated) dematerialised debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument (but excluding for avoidance of any doubt, the money market funds) or repurchase transactions on such debt instruments with the followings characteristic:

(A) with respect to S&P,

(1) the securities or other debt instruments shall be rated, or in the case of time deposits shall be held with an institution whose unsecured and unsubordinated debt obligations are rated, at least as follows: either (i) "A" by S&P in respect of long-term debt or "A-1" by S&P in respect of short-term debt, with regard to investments having a maturity of less than or equal to 365 days, or (ii) "A-2" by S&P in respect of short-term debt, with regard to investments having a maturity equal to 60 days or less; or (iii) such other lower rating being compliant with the S&P's published criteria applicable from time to time; or

(2) the bank account deposits shall be held with an institution whose unsecured and unsubordinated debt obligations are rated at least "BBB+" in respect of long-term debt by S&P, or having such other lower rating being compliant with the S&P's published criteria applicable from time to time; and

(B) with respect to DBRS, the debt securities or other debt instruments are issued by, or in the case of bank account deposits or time deposits are held with, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least as follows:

(A) "R-1 (low)" by DBRS in respect of short-term debt or "BBB(high)" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than one month;

(B) "R-1 (middle)" by DBRS in respect of short-term debt or "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months;

(C) "R-1 (high)" by DBRS in respect of short-term debt or "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or

(D) "R-1 (high)" by DBRS in respect of short-term debt and "AAA" by DBRS in respect of long-term debt, with regard to investments having a maturity longer than six months, or such other lower rating being compliant with the criteria established by DBRS from time to time; such DBRS ratings by way of a public rating or, in the absence of any public rating supplied by DBRS, the DBRS Equivalent Rating by at least two of Fitch, S&P or Moody's (provided that if such public rating is under credit watch negative, or equivalent, then such rating will be considered one notch below);

It remains understood that in the case of clauses (A) and (B) above, such Euro denominated senior (unsubordinated) debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument or repurchase transactions on such debt instruments:

(x) shall be immediately repayable on demand, disposable without penalty, cost or loss or have a maturity not later than the second Business Day preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made and have, in any case, prior to the redemption in full of the Notes, at any time a fixed principal amount at maturity at least equal to the principal amount invested;

(y) shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; or

(z) in the case of bank account or deposit (including for the avoidance of doubt time deposit), such bank account or deposit are held in Italy, England or Wales, provided that (i) a legal, valid and binding guarantee substantially in the form of the Deed of Charge or the Deed of Pledge is created thereon and (ii) a legal opinion is provided to the Issuer confirming the validity and the enforceability of the security created thereon; or

(ii) any other investment that, upon prior written notice to DBRS and S&P, does not adversely affect the current ratings of the Class A Notes or the Series M-2017 Notes;

provided that,

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

(II) in case of downgrade below the rating allowed with respect to DBRS or S&P, as the case may be, the Issuer shall:

(a) in case of Eligible Investments being securities or time deposits, sell the securities or terminate in advance the time deposit, if it could be achieved without a loss, otherwise the relevant security or time deposit shall be allowed to mature; or

(b) in case of Eligible Investments being bank deposits, transfer within 30 calendar days the deposits to another account opened in Italy, England or Wales with an institution (i) being and Eligible Institution with respect to DBRS; and (ii) having, with respect to S&P, the characteristic set forth in point (A)(2) above, at no costs for the Issuer, provided that (1) a legal, valid and binding guarantee substantially in the form of the Deed of Charge or the Deed of Pledge is created thereon and (2) a legal opinion is provided to the Issuer (and disclosed to the Rating Agencies) confirming the validity and the enforceability of the security created thereon;

(III) in any case, if such investments under (i) and (ii) above consisting of repurchase transactions, shall have a maturity not longer than 60 days and provided that in any case the maturity of such investment shall fall not later than the second Business Day preceding the Payment Date following the date on which such investment was made and shall be made with a repo counterparty being an Eligible Institution; and

(IV) in any case, the Eligible Investments being securities shall be held directly with the English Account Bank as custodian (excluding, for avoidance of any doubt, sub-custodians) and through Euroclear or Clearstream or other clearing systems and registered in the name of the Issuer.

"**English Account Bank**" means Citibank N.A., London Branch or any of its successors or assignees from time to time.

"**Euroclear**" means Euroclear Bank S.A./N. V., as operator of the Euroclear System.

"**Euro**" and "**€**" means the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957 as amended by, *inter alia*, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the Treaty of Amsterdam of 2 October 1997.

"**Euro-zone**" means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.

"**External Back-Up Servicer**" means the back-up servicer to be appointed pursuant to clause 9 of the Servicing Agreement and which must be an entity different from the Originators.

"**Final Date**" means the earlier between: (i) the Payment Date on which the Class A Notes have been redeemed in full; and (ii) the relevant Final Maturity Date.

"**Final Maturity Date**" means (i) with respect to the Series 1 Notes and the Series A-2017 Notes, the Payment Date falling on November 2048; and (ii) with respect to the Series M-2017 Notes and the Series B-2017 Notes, the Payment Date falling on November 2050.

"**First Collection Date**" means (i) with respect to the Initial Portfolios 30 September 2013; and (ii)

with respect to the Subsequent Portfolios 31 March 2017.

"**First Collection Period**" means (i) with respect to the Initial Portfolios the period starting on the relevant Effective Date (inclusive) and ending on the relevant First Collection Date (inclusive); (ii) with respect to the Subsequent Portfolios the period starting on the relevant Effective Date (inclusive) and ending on the relevant First Collection Date (inclusive).

"**First Payment Date**" means (i) with respect to the Series 1 Notes the Payment Date falling on 11 November 2013; and (ii) with respect to the Series 2 Notes the Payment Date falling on 10th May 2017.

"**First Single Portfolio Detrimental Event**" has the meaning ascribed to it in Condition 4.5 (*Pre-Acceleration Order of Priority*).

"**First Single Portfolio Detrimental Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**First Single Portfolio Detrimental Reserve Amount**" means with respect to a Payment Date on which a First Single Portfolio Detrimental Event has occurred and to each Portfolio, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Thirteenth*) of the Pre-Acceleration Order of Priority.

"**General Criteria**" means the general criteria used as a basis for the selection of the Claims.

"**Global Target Cash Reserve Amount**" means the aggregate of (i) the Target Additional Cash Reserve Amounts and (ii) the Target Cash Reserve Amounts.

"**Information Technology Services Provider**" means the provider of certain information technology services to the Services pursuant to the Servicing Agreement.

"**Initial Principal Amount Outstanding**" means, (a) in respect of a Note, the principal amount outstanding of that Note as at the relevant Issue Date, and (b) in respect of a Portfolio, the Outstanding Balance of the Loans of that Portfolio as at the relevant Effective Date.

"**Initial Claims**" means the monetary claims and connected rights arising out of the Initial Loans.

"**Initial Issue Date**" means 27 June 2013.

"**Initial Loans**" means each loan granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of Banca CR Savigliano and Banca MCFVG to the Issuer pursuant to the relevant Initial Transfer Agreement.

"**Initial Portfolio**" means each portfolio of monetary claims and connected rights arising out of the Initial Loans and transferred by each of Banca CR Savigliano and Banca MCFVG to the Issuer pursuant to the Initial Transfer Agreements; and "**Initial Portfolios**" means all of them.

"**Initial Signing Date**" means 6 June 2013.

"**Initial Transfer Agreements**" means the transfer agreements entered into between Banca CR Savigliano and Banca MCFVG and the Issuer on the Initial Signing Date.

"**Initial Signing Date**" means 6 June 2013.

"**Initial Subscription Agreement**" means the notes subscription agreement entered into on or prior to the Initial Issue Date among, *inter alios*, the Issuer, Banca CR Savigliano, Banca MCFVG and CR Saluzzo and the Representative of the Noteholders, pursuant to which each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo subscribed the Series 1 Notes and paid to the Issuer on the Initial Issue Date the relevant issue price for the Series 1 Notes.

"**Initial Warranty and Indemnity Agreement**" means the warranty and indemnity agreement, entered into between Banca CR Savigliano, Banca MCFVG and CR Saluzzo and the Issuer on the Initial Signing Date.

"**Insolvency Event**" means an event which will have occurred in respect of the Issuer if:

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than 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 being disputed in good faith with a reasonable prospect of success;

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer 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;

(iii) the Issuer takes any action for a re-adjustment 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 the Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the Issuer (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 any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer.

"**Instalment**" means, with respect to each Claim, each monetary amount due from time to time under the Claim by the relevant Borrower.

"**Insurance Company**" means any of the insurance companies granting a Real Estate Insurance Policy.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or prior to the Initial Issue Date among the Issuer and the Other Issuer Creditors, as subsequently amended and supplemented.

"**Interest Accruals**" means, with respect to each Portfolio, the interest accrued, not yet due and unpaid (excluding interest in arrears (*interessi di mora*)) on the relevant Claims (i) as of the Effective Date falling on 1 June 2013 equal to, with respect to Portfolio No. 1, Euro 493,014.38; with respect to Portfolio No. 2, Euro 1,895,650.09; and (ii) as of the Effective Date falling on 1 January 2017 equal to, with respect to Portfolio No. 1, Euro 688.97, with respect to Portfolio No. 2, Euro 80,017.33, with respect to Portfolio No. 3, Euro 589,994.49 and with respect to Portfolio No. 4, Euro 550,973.33.

"**Interest Amount**" has the meaning ascribed to it in Condition 5.3.1 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*).

"**Interest Determination Date**" means, (i) with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the relevant Issue Date and (ii) with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

"**Interest Instalment**" means, in respect of each Claim, the interest component of each Instalment (excluding interest for late payments – *interessi di mora*).

"**Interest Period**" means each period from (and including) a Payment Date to (but excluding) the following Payment Date, *provided that* the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the relevant Issue Date and end on (but excluded) the First Payment Date.

"**Interest Rate**" has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

"**Interest Shortfall**" means with respect to any Payment Date the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date (i) under items (*First*) through (*Eighth*) (inclusive) of the Acceleration Order of Priority or (ii) under items (*First*) through (*Seventh*) (inclusive) of the Cross-Collateral Order of Priority and under item (*Eighth*) of the Cross Collateral Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full, as applicable and (b) the Issuer Available Funds with respect to such Payment Date but excluding the amounts under item (xii) of the Issuer Available Funds.

"**Investment Accounts**" means the three investment accounts opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Investors Report**" has the meaning ascribed to such term in the Cash Administration and Agency Agreement.

"**Investors Report Date**" means the date on which the Investors Report is delivered by the Computation Agent pursuant to clause 6.3.3 of the Cash Administration and Agency Agreement.

"**Issue Date**" means the Initial Issue Date or the Subsequent Issue Date, as the case may be.

"**Issuer Available Funds**" means, in respect of each Payment Date (following the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer in respect of the Claims during the immediately preceding Collection Period;

(ii) all other amounts transferred during the immediately preceding Collection Period into the Collections and Recoveries Accounts;

(iii) all the amounts credited to the Collections and Recoveries Accounts on the immediately

preceding Payment Date;

(iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(v) all amounts paid into the Principal Amortisation Reserve Accounts on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the Originators, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements and all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) all amounts paid into the Single Portfolio Detrimental Reserve Accounts in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3(a) of the Cash Administration and Agency Agreement);

(ix) any amount paid into the Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Cash Reserve in an amount equal to the Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due (a) under items (First) to (Seventh) of the Cross Collateral Order of Priority provided that any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and (b) under items (First) to (Eighth) of the Acceleration Order of Priority;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Portfolios.

"**Issuer's Rights**" means any monetary right arising in favour of the Issuer against the Borrowers and any other monetary right arising in favour of the Issuer in the context of the Transaction including the Collections and any Eligible Investments purchased with the Collections.

"**Italian Account Bank**" means Citibank N.A., Milan Branch or any of its permitted successors or assignees from time to time.

"**Late Payments 60 Claims**" means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 60 (sixty) days.

"**Late Payments 90 Claims**" means any Claim, other than a Defaulted Claim, in respect of which

there are one or more Instalments due but unpaid for more than 90 (ninety) days.

"**Law 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Legislative Decree No. 239 of 1 April 1996 as subsequently amended.

"**Loan Agreement**" means each agreement by which a Loan has been granted.

"**Loans**" means the Initial Loans together with the Subsequent Loans, and "**Loan**" means each of them.

"**Local Paying Agent**" means Citibank N.A., Milan Branch or any of its permitted successors or assignees from time to time.

"**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 their customers with Monte Titoli.

"**Mortgage Loan Agreement**" means each agreement by which a Mortgage Loan has been granted.

"**Mortgage Loan**" means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and "**Mortgage Loans**" means all of them.

"**Mortgage**" means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

"**Most Senior Class of Notes**" means the Class A Notes, upon redemption in full of the Class A Notes, the Series M-2017 Notes and, upon redemption in full of the Series M-2017 Notes, the Class B Notes.

"**Mutui Fondiari Agreements**" means any Mortgage Loan Agreement under which it has been granted a Mortgage Loan deemed as "*mutuo fondiario*" in accordance with article 38 and sub. of the Consolidated Banking Act.

"**Noteholders**" means collectively the Class A Noteholders and the Class B Noteholders.

"**Notes**" means, collectively, the Series 1 Notes and the Series 2 Notes.

"**New Effective Date**" means the 1 January 2017.

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

"**Optional Redemption**" has the meaning ascribed to it in Condition 6.4 (*Optional Redemption*).

"**Order of Priority**" means the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Single Portfolio Available Funds or the Issuer Available Funds, respectively, shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement.

"**Organisation of the Noteholders**" means the association of the Noteholders created on the Issue Date.

"**Originators**" means Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento.

"**Other Issuer Creditors**" means the Originators, the Servicers, the Representative of the Noteholders, the Stichting Corporate Services Provider, the Security Trustee, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Back-Up Servicers, the Italian Account Bank, the English Account Bank, the Corporate Services Provider, the Back-Up Servicer Facilitator, the Computation Agent, the Subscribers and the Irish Listing Agent, together with any other creditor of the Issuer in the context of the Securitisation following its accession to the Intercreditor Agreement.

"**Outstanding Balance**" means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

"**Outstanding Notes Ratio**" means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and (y) the Principal Amount Outstanding of all the Notes.

"**Outstanding Principal**" means, with respect to any Claims and to any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

"**Paying Agents**" means the Principal Paying Agent and the Local Paying Agent.

"**Payment Date**" means the 10th day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

"**Payments Account**" means the account IBAN Code: GB90CITI18500811727737 opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Payments Report Date**" means the date falling on the 3rd day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

"**Payments Report**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**Person(s)**" means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership or company, joint venture, governmental entity, unincorporated organisation or other entity or organisation.

"**Pledgees**" means the Noteholders and the Other Issuer Creditors (all acting through the Representative of Noteholders) pursuant to the Deed of Pledge.

"**Portfolio**" means any of the Portfolio No. 1, the Portfolio No. 2, the Portfolio No. 3 and the Portfolio No. 4.

"**Portfolio Difference**" means in respect of each Payment Date both before and after delivery of a Cross Collateral Notice or a Trigger Notice, respectively:

(i) in relation to the Portfolio No. 1 and the Portfolio No. 2, the difference between

a. any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that

following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2, and

b. any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (i)(a) be higher than (i)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (i)(b) be higher than (i)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 2.

(ii) in relation to the Portfolio No. 1 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (ii)(a) be higher than (ii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (ii)(b) be higher than (ii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3.

(iii) in relation to the Portfolio No. 2 and the Portfolio No. 3, the difference between

(c) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay

items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(d) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (iii)(a) be higher than (iii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (iii)(b) be higher than (iii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3,

(iv) in relation to the Portfolio No. 1 and the Portfolio No. 4, the difference between

(c) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(d) any amount that would have been payable in respect of the Portfolio No. 4 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (iv)(a) be higher than (iv)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (iv)(b) be higher than (iv)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 4,

(v) in relation to the Portfolio No. 2 and the Portfolio No. 4, the difference between

(c) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Twelfth*) to (*Seventeenth*) of the Acceleration Order of Priority and from (*Fifteenth*) to (*Twentyth*) of the Cross

Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(d) any amount that would have been payable in respect of the Portfolio No. 4 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (v)(a) be higher than (v)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (v)(b) be higher than (v)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 4,

(vi) in relation to the Portfolio No. 3 and the Portfolio No. 4, the difference between

(c) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 4, and

(d) any amount that would have been payable in respect of the Portfolio No. 4 up to such Payment Date (included) under items from (*Seveteenth*) to (*Twenty-second*) of the Pre-Acceleration Order of Priority, from (*Fifteenth*) to (*Twentyth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Fifteenth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3;

being clear that should (vi)(a) be higher than (vi)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 3, and that, should (vi)(b) be higher than (vi)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 4,

in each case, in respect of each couple of Portfolios under respectively paragraphs (i), (ii), (iii), (iv), (v) and (vi) above, net of any Portfolio Difference paid and received between such couple of Portfolios in any previous Payment Date.

"**Portfolio No. 1**" means, collectively, the portfolio of Initial Claims sold to the Issuer by Banca CR

Savigliano on the Initial Signing Date and the portfolio of Subsequent Claims sold to the Issuer by Banca CR Savigliano on the Subsequent Signing Date pursuant to the relevant Transfer Agreements.

"**Portfolio No. 2**" means, collectively, the portfolio of Initial Claims sold to the Issuer by Banca MCFVG on the Initial Signing Date and the portfolio of Subsequent Claims sold to the Issuer by Banca MCFVG on the Subsequent Signing Date pursuant to the relevant Transfer Agreements.

"**Portfolio No. 3**" means the portfolio of Subsequent Claims sold to the Issuer by Banca Alpi Marittime on the Subsequent Signing Date pursuant to the relevant Transfer Agreement.

"**Portfolio No. 4**" means the portfolio of Subsequent Claims sold to the Issuer by CR Cento on the Subsequent Signing Date pursuant to the relevant Transfer Agreement.

"**Portfolios**" means all the Portfolios of monetary claims and connected rights arising under the Loans transferred by the Originators to the Issuer pursuant to the Transfer Agreements.

"**Pre-Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.1 (*Pre-Acceleration Order of Priority*).

"**Principal Amount Outstanding**" means in respect of each of the Notes and on any date the Initial Principal Amount Outstanding of that Note less the aggregate amount of all payments of principal in respect of that Note that have been made prior to such date.

"**Principal Amortisation Reserve Accounts**" means the accounts that may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Disequilibrium Event has occurred and to each Portfolio not affected by a Disequilibrium Event, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority.

"**Principal Instalment**" means, in respect of each Claim, the principal component of each Instalment.

"**Principal Paying Agent**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Principal Payment Amount**" means, collectively, the Class A Notes Principal Payment Amount, the Series M-2017 Notes Principal Payment Amount and the aggregate of all Single Series Available Class B Notes Redemption Funds.

"**Principal Single Portfolio Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Eighth*) (inclusive) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

"**Prospectus**" means the Prospectus of the Series 1 Notes and/or the Prospectus of the Series 2 Notes, as the case may be.

"**Prospectus of the Series 1 Notes**" means the prospectus for the Series 1 Notes dated 26 June 2013 and published by the Issuer in connection with the issue of the Series 1 Notes and which constitute a prospetto informativo for the Series 1 Notes in accordance with the Securitisation Law;

"**Prospectus of the Series 2 Notes**" means the prospectus for the Series 2 Notes dated on or about the Subsequent Issue Date and published by the Issuer in connection with the issue of the Series 2 Notes and which constitute a prospetto informativo for the Series 1 Notes in accordance with the Securitisation Law;

"**Purchase Price**" means, as the case may be, (A) the price paid by the Issuer for the purchase of the Initial Portfolios under the terms of the relevant Transfer Agreements, calculated as the Outstanding Principal of the Initial Claims as at the relevant Effective Date, which is equal to the aggregate of: (i) € 238,936,522.29 paid to Banca CR Savigliano for the purchase of Portfolio No. 1; and (ii) € 172,576,130.77 paid to Banca MCFVG for the purchase of Portfolio No. 2; and (B) the price paid by the Issuer for the purchase of the Subsequent Portfolios under the terms of the relevant Transfer Agreements, calculated as the Outstanding Principal of the Subsequent Claims as at the relevant Effective Date, which is equal to the aggregate of: (i) € 129,322,851.72 to be paid to Banca CR Savigliano for the purchase of Portfolio No. 1; (ii) € 65,716,483.31 to be paid to Banca MCFVG for the purchase of Portfolio No. 2; (iii) € 256,251,237.58 to be paid to Banca Alpi Marittime for the purchase of Portfolio No. 3; and (iv) € 192,571,185.42 to be paid to CR Cento for the purchase of Portfolio No. 4.

"**Quarterly Servicing Report**" means the quarterly report, containing information as to the collections and recoveries to be made in respect of the Portfolios during each Collection Period, which the Servicers undertake to prepare and submit on the Quarterly Servicing Report Date.

"**Quarterly Servicing Report Date**" means the 20th day of January, April, July and October in each year or, if such date is not a Business Day, the following Business Day.

"**Quota Capital Account**" means the account IBAN Code: IT17M0356601600000125616011 opened by the Issuer with the Italian Account Bank, or such other account or accounts of the Issuer as may be, with the prior written consent of the Representative of the Noteholders, used for this purpose.

"**Quotaholder**" means Stichting Dean.

"**Rating Agencies**" means DBRS Ratings Limited and Standard & Poor's Credit Market Services Italy S.r.l. and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Class A Notes and the Series M-2017 Notes.

"**Real Estate Assets**" means any residential real estate property which has been mortgaged in favour of the Originators to secure the Claims deriving from Mortgage Loan Agreements.

"**Real Estate Insurance Policies**" means each insurance policy, entered into in respect of the Claims deriving from Mortgage Loan Agreements, pursuant to which the relevant Insurance Company has undertaken to cover the risk of fire (*incendio*), explosion (*scoppio*) and/or lightning (*fulmine*) of the Real Estate Assets not consisting of land (*terreni*).

"**Redemption for Taxation**" has the meaning ascribed to it in Condition 6.2 (*Redemption for Taxation*).

"**Reference Banks**" means three major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of three major banks in the Euro-zone inter-bank market, as selected by the Agent Bank, with the approval of the Representative of the Noteholders; provided that, should the Representative of the Noteholders not approve the banks selected by the Agent Bank within two Business Days following the relevant request, such approval shall be deemed as being given by the Representative of the Noteholders.

"**Relevant Additional Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento the monies standing from time to time to the Relevant Additional Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

"**Relevant Additional Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Additional Cash Reserve, the Banca CR Savigliano Additional Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Additional Cash Reserve, the Banca MCFVG Additional Reserve SubAccount; (iii) in respect of Banca Alpi Marittime and the Banca Alpi Marittime Additional Cash Reserve, the Banca Alpi Marittime Additional Reserve SubAccount and (iv) in respect of CR Cento and the CR Cento Additional Cash Reserve, the CR Cento Additional Reserve SubAccount.

"**Relevant Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento the monies standing from time to time to the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

"**Relevant Cash Reserve Account**" means, (i) in respect of Banca CR Savigliano, the Banca CR Savigliano Cash Reserve Account, (ii) in respect of Banca MCFVG, the Banca MCFVG Cash Reserve Account, (iii) in respect of Banca Alpi Marittime, the Banca Alpi Marittime Cash Reserve Account; and (iv) in respect of CR Cento, the CR Cento Cash Reserve Account.

"**Relevant Cash Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Cash Reserve, the Banca CR Savigliano Cash Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Cash Reserve, the Banca MCFVG Cash Reserve SubAccount; (iii) in respect of Banca Alpi Marittime and the Banca Alpi Marittime Cash Reserve, the Banca Alpi Marittime Cash Reserve SubAccount; and (iv) in respect of CR Cento and the CR Cento Cash Reserve, the CR Cento Cash Reserve SubAccount

"**Relevant Cash Reserve Available Amount**" means, with respect to any Payment Date and each Originator:

(i) in relation to payments under clause 14.1(A) and 14.2 of the Cash Administration and Agency Agreement, (a) with respect to the First Payment Date, the amount standing to the credit of the Relevant Cash Reserve SubAccount on the relevant Issue Date; and (b) with respect to any Payment Date thereafter, the lower of (i) the amount standing to the credit of the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve SubAccount in accordance with the applicable Order of Priority) and (ii) the Target Cash Reserve Amount on such Payment Date;

(ii) in relation to payments under clause 14.1(B) of the Cash Administration and Agency Agreement, the difference, if positive, between (a) the amount indicated under item (i) above, and (b) any payments made under clause 14.1(A) of the Cash Administration and Agency Agreement.

"**Relevant Cash Reserve Individual Proportion**" means:

(i) on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

(x) the sum of the Relevant Cash Reserve Uncovered Amount related to all the

Originators; and

(y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date (calculated by deducting the amount of the relevant Cash Reserve of each Originator which shall be utilised at such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions);

(ii) on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

(x) the Interest Shortfall calculated as at the Calculation Date immediately preceding such Payment Date; and

(y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date.

"**Relevant Cash Reserve Uncovered Amount**" has the meaning ascribed to it under clause 14.1(B) of the Cash Administration and Agency Agreement.

"**Relevant Date**" means, in respect of each Class of Notes, the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of such Class of Notes due and payable on or before that date has not been duly received by the relevant Monte Titoli Account Holder (in respect of the Class A Notes) or by the Class B Noteholders (in respect of the Class B Notes), on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Representative of the Noteholders.

"**Relevant Global Target Cash Reserve Amount**" means respectively with reference to: (a) CR Cento, the aggregate of (i) the CR Cento Target Additional Cash Reserve Amount and (ii) the CR Cento Target Cash Reserve Amount; (b) Banca CR Savigliano, the aggregate of (i) the Banca CR Savigliano Target Additional Cash Reserve Amount and (ii) the CR Savigliano Target Cash Reserve Amount; (c) Banca MCFVG, the aggregate of (i) the Banca MCFVG Target Additional Cash Reserve Amount and (ii) the Banca MCFVG Target Cash Reserve Amount; and (d) Banca Alpi Marittime, the aggregate of (i) the Banca Alpi Marittime Target Additional Cash Reserve Amount and (ii) the Banca Alpi Marittime Target Cash Reserve Amount.

"**Relevant Portfolio**" means, with respect to a Series of Class B Notes, the Portfolio sold by the Originator that subscribes for such series of Class B Notes pursuant to the Notes Subscription Agreement; and in general, Relevant Portfolio means the Portfolio sold by the relevant Originator.

"**Representative of the Noteholders**" means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

"**Retention Amount**" means an amount equal to Euro 50,000.

"**Securities Accounts**" means the three securities accounts that may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Security Documents**" means the Deed of Pledge and the Deed of Charge.

"**Security Interest**" means:

(i) any mortgage, charge, pledge, lien, special privilege (*privilegio speciale*), or other security interest securing any obligation of any person;

(ii) any arrangements 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

(iii) any other type of preferential arrangement (including any title transfer and retention arrangement) having similar effect.

"**Security Trustee**" means Accounting Partners S.r.l. or any other person from time to time acting as security trustee.

"**S&P**" means Standard & Poor's Credit Market Services Italy S.r.l.

"**Series 1 Notes**" "means, collectively, the Series A-2013 Notes and the Series B-2013 Notes.

"**Series 2 Notes**" means the Series A-2017 Notes together with the Series M-2017 Notes together with the Series B-2017 Notes.

"**Series A-2013 Notes**" means Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048.

"**Series A-2017**" means the Euro 473,355,000.00 Class A Asset Backed Floating Rate Notes due November 2048.

"**Series B1 Notes**" means, collectively, the Series B1-2013 Notes and the Series B1-2017 Notes.

"**Series B2 Notes**" means, collectively, the Series B2-2013 Notes and the Series B2-2017 Notes.

"**Series B3 Notes**" means, collectively, the Series B3-2013 Notes and the Series B3-2017 Notes.

"**Series B4 Notes**" means the Series B4-2017 Notes.

"**Series B-2013 Notes**" means, collectively, the Series B1-2013 Notes, the Series B2-2013 Notes and the Series B3-2013 Notes.

"**Series B-2017 Notes**" means the Series B1-2017 Notes, the Series B2-2017 Notes, the Series B3-2017 Notes and the Series B4-2017 Notes.

"**Series B1-2013 Notes**" means Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048.

"**Series B1-2017 Notes**" means the Euro 60,860,000.00 Class B1 Asset Backed Floating Rate Notes due November 2050.

"**Series B2-2013 Notes**" means Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048.

"**Series B2-2017 Notes**" means the Euro 33,730,000.00 Class B2 Asset Backed Floating Rate Notes due November 2050.

"**Series B3-2013 Notes**" means Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048.

"**Series B3-2017 Notes**" means the Euro 63,510,000.00 Class B3 Asset Backed Floating Rate Notes

due November 2050.

"**Series B4-2017 Notes**" means the Euro 47,720,000.00 Class B4 Asset Backed Floating Rate Notes due November 2050.

"**Series M-2017 Notes**" mean the Euro 91,350,000.00 Class M Asset Backed Floating Rate Notes due November 2050.

"**Series M-2017 Notes Principal Payment Amount**" means with respect to each Payment Date, the aggregate of all Single Portfolio Series M-2017 Notes Principal Payment Amounts.

"**Series of Class B Notes**" means the series of Class B Notes subscribed by the Originator that sold the Relevant Portfolio.

"**Servicers**" means Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento, or any other person from time to time acting as Servicer.

"**Servicing Agreement**" means the servicing agreement entered into on the Initial Signing Date, as amended and supplemented on the Subsequent Signing Date.

"**Servicing Fees**" means the fees to be paid to the Servicers pursuant to clause 12 of the Servicing Agreement

"**Single Portfolio Amortised Principal**" means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

(i) the aggregate amount of the Principal Instalments of the Claims of the Relevant Portfolio collected during the immediately preceding Collection Period (including, for the avoidance of doubt, any such collection lost due to any insolvency event on the Servicer having occurred) excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);

(ii) the Outstanding Principal of the Claims of the Relevant Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(iii) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreements and/or the Warranty and Indemnity Agreements and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(iv) the Single Portfolio Amortised Principal unpaid at the previous Payment Date;

(v) the proceeds from the sale of the Relevant Portfolio; and

(vi) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims.

"**Single Portfolio Available Funds**" means Means, in respect of each Payment Date and each Portfolio (before the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;

(ii) all other amounts transferred during the immediately preceding Collection Period into the relevant Collections and Recoveries Account;

(iii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period;

(iv) any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account;

(v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreements and/or the Transfer Agreements in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) the relevant Outstanding Notes Ratio of any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) the amounts paid into the credit of the Detrimental Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(ix) the amounts paid into the relevant Single Portfolio Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3 (a) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Relevant Cash Reserve (augmented as the case may be by the amount made available by the other Relevant Cash Reserve pursuant to the terms of the Cash Administration and Agency Agreement) in an amount equal to the Single Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due under items (First) to (Seventh) (inclusive) of the Pre-Acceleration Order of Priority; provided that any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Relevant Portfolio, the Cash Reserve Amortisation Amount of the Relevant Portfolio and the Cash Reserve Excess of the Relevant Portfolio.

"**Single Portfolio Class A Notes Principal Amount Outstanding**" means, with respect to each Payment Date and to each Portfolio, the sum of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding.

"**Single Portfolio Series A-2013 Notes Principal Amount Outstanding**" means with respect to each Payment Date and to Portfolio No.1, Portfolio No.2 and Portfolio No.3 the difference between:

(i) the relevant Single Portfolio Initial Series A-2013 Notes Principal Amount Outstanding; and

(ii) the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect to the Series A-2013 Notes on the preceding Payment Dates pursuant to the applicable Priority of Payments.

"**Single Portfolio Series A-2017 Notes Principal Amount Outstanding**" means with respect to each Payment Date and to each Portfolio the difference between:

(i) the relevant Single Portfolio Initial Series A-2017 Notes Principal Amount Outstanding; and

(ii) the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect to the Series A-2017 Notes on the preceding Payment Dates pursuant to the applicable Priority of Payments.

"**Single Portfolio Series M-2017 Notes Principal Amount Outstanding**" means, with respect to each Payment Date and to each Portfolio, the difference between:

(i) the relevant Single Portfolio Initial Series M-2017 Notes Principal Amount Outstanding; and

(ii) the aggregate of all the Single Portfolio Series M-2017 Notes Principal Payment Amounts paid in respect of the Relevant Portfolio to the Class M Noteholders on the preceding Payment Dates.

"**Single Portfolio Class A Notes Principal Payment Amount**" means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

"**Single Portfolio Series M-2017 Notes Principal Payment Amount**" means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

"**Single Interest Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority and under item (*Eighth*) of the Pre-Acceleration Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available

Funds.

"**Single Portfolio Default Ratio**" means in respect to each Portfolio, the Default Ratio of the Claims comprised in such Portfolio.

"**Single Portfolio Detrimental Reserve Accounts**" means the accounts which may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Single Portfolio Initial Class A Notes Principal Amount Outstanding**" mean, collectively, the Single Portfolio Initial Series A-2013 Notes Principal Amount Outstanding and the Single Portfolio Initial Series A-2017 Notes Principal Amount Outstanding.

"**Single Portfolio Initial Series A-2013 Notes Principal Amount Outstanding**" means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 32,998,883.25; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 10,372,525.67; and (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 39,954,444.93.

"**Single Portfolio Initial Series A-2017 Notes Principal Amount Outstanding**" means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 131,542,000.00; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 80,904,000.00; (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 131,821,000.00; and (iv) with respect to Portfolio No. 4, as at the Subsequent Issue Date an amount equal to Euro 129,088,000.00.

"**Single Portfolio Initial Series M-2017 Notes Principal Amount Outstanding**" means (i) with respect to Portfolio No. 1, as at the Subsequent Issue Date an amount equal to Euro 27,003,000.00; (ii) with respect to Portfolio No. 2, as at the Subsequent Issue Date an amount equal to Euro 14,981,000.00; (iii) with respect to Portfolio No. 3, as at the Subsequent Issue Date an amount equal to Euro 28,182,000.00; and (iv) with respect to Portfolio No. 4, as at the Subsequent Issue Date an amount equal to Euro 21,184,000.00.

"**Single Portfolio Notes Principal Amount Outstanding**" means with respect to each Payment Date:

(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B1 Notes;

(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B2 Notes; and

(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B3 Notes;

(iv) with respect to Portfolio No. 4, the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding, the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Series B4 Notes;

in each case as at the immediately preceding Collection Date.

"**Single Portfolio Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 8%.

"**Single Series Available Class B Notes Redemption Funds**" means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lower of:

(a) the Single Portfolio Available Funds with respect to the Relevant Portfolio, available for redemption of the Principal Amount Outstanding of such Series of Class B Notes according to the Pre-Acceleration Order of Priority or the Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable; and

(b) the Principal Amount Outstanding of such Series of Class B Notes.

"**Single Series Class B Notes Additional Interest Payment Amount**" means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

(i) the aggregate of all Interest Instalments collected on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; ***plus***

(ii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; ***plus***

(iii) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; ***plus***

(iv) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; ***plus***

(v) the Cash Reserve Excess of the Relevant Portfolio and the Cash Reserve Amortisation Amount of the Relevant Portfolio; ***plus***

(vi) all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account; ***minus***

(vii) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) through (*Fifth*) plus (*Seventh*), (*Tenth*), (*Sixteenth*) and (*Nineteenth*) of the Pre-Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*) through (*Fifth*), plus (*Seventh*), (*Ninth*), (*Twelfth*) and (*Fourteenth*) of the Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following

Payment Date under items (*First*) through (*Fifth*) plus (*Seventh*), *(Tenth),* (*Fourteenth*) and (*Seventeenth*) of the Cross Collateral Order of Priority; *minus*

(viii) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date; *minus*

(ix) on the relevant First Payment Date only, the amount of the relevant Interest Accrual.

"**Single Series Class B Notes Interest Amount**" means on each Payment Date and in respect of each Series of Class B Notes, an amount equal to the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Eleventh*) of the Acceleration Order of Priority or under items from (*First*) to (*Thirteenth*) of the Cross Collateral Order of Priority, as applicable.

"**Solvency II Directive**" means the Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;

"**Solvency II Regulation**" means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive.

"**Specific Criteria**" means the specific objective criteria used as the basis for the selection of the Claims for each Originator.

"**Specified Office**" means the office of (i) the Principal Paying Agent located at Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, or (ii) the Irish Listing Agent located at The Harcourt Building, Harcourt Street, Dublin 2 Ireland, as the case may be.

"**Stichting Corporate Services Agreement**" means the stichting corporate services agreement entered into on or prior to the Initial Issue Date, between the Issuer, the Stichting Corporate Services Provider and the Quotaholder.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited or any of its permitted successors or assignees from time to time.

"**Subscribers**" means Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento.

"**Subsequent Claims**" means the monetary claims and connected rights arising out of the Subsequent Loans.

"**Subsequent Effective Date**" means 1 January 2017.

"**Subsequent Loans**" means each loan granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Subsequent Transfer Agreement.

"**Subsequent Portfolios**" means each portfolio of monetary claims and connected rights arising out of the Subsequent Loans and transferred by each of the Originators to the Issuer pursuant to the Subsequent Transfer Agreements; and "**Subsequent Portfolios**" means all of them.

"**Subsequent Signing Date**" means 1 February 2017.

"**Subsequent Subscription Agreement**" means the notes subscription agreement to be enter into on or prior to the Subsequent Issue Date among, *inter alios*, the Issuer, the Originators, the Representative of the Noteholders and the Co-Arrangers, pursuant to which each of the Originators will subscribe the Series 2 Notes and paid to the Issuer on the Initial Issue Date the relevant issue price for the Series 2 Notes.

"**Subsequent Warranty and Indeminity Agreement**" means the warranty and indeminity agreement, entered into between the Originators and the Issuer on the Subsequent Signing Date.

"**Subsequent Transfer Agreements**" means the transfer agreements, entered into by and between the Originators and the Issuer on the Subsequent Signing Date.

"**Successor**" means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed for any reason (included, but not limited to, assignment of the agreement (*cessione del contratto*), merger, transfer of the business (*cessione d'azienda*), or of an operative branch of the same (*cessione del ramo di azienda*), contribution in kind (*conferimento in natura*), and any other transaction having the effect of transfer the duties and obligations set out in the relevant Transaction Document) the rights and obligations of such person under the relevant Transaction Document or to which under such laws the same have been transferred.

"**Target Additional Cash Reserve Amount**" means all or each of the Banca CR Savigliano Target Additional Cash Reserve Amount, the Banca MCFVG Target Additional Cash Reserve Amount, the Banca Alpi Marittime Target Additional Cash Reserve Amount and the CR Cento Target Additional Cash Reserve Amount, as the case may be.

"**Target Cash Reserve Amount**" means all or each of the Banca CR Savigliano Target Cash Reserve Amount, the Banca MCFVG Target Cash Reserve Amount, the Banca Alpi Marittime Target Cash Reserve Amount and the CR Cento Target Cash Reserve Amount, as the case may be.

"**Transaction**" means the securitisation of the Portfolios carried out by the Issuer.

"**Transaction Documents**" means collectively the Transfer Agreements, the Warranty and Indemnity Agreements, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Cash Administration and Agency Agreement, the Back-Up Servicing Agreement, the Notes Subscription Agreements, the Stichting Corporate Services Agreement, the Conditions, the Deed of Pledge, the Agreement between the Issuer and the Quotaholder and the Deed of Charge.

"**Transfer Agreements**" means, collectively, the Initial Transfer Agreements and the Subsequent Transfer Agreements.

"**Transfer Date**" means (i) with respect to the Initial Portfolios, 6 June 2013; and (ii) with respect to the Subsequent Portfolios, 1 February 2017.

"**Transparency Directive**" means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

"**Three Month Euribor**" means Euribor for three months deposits calculated as provided for in Condition 5.2 (*Interest Rate*).

"**Trigger Event**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Trigger Notice**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Unpaid Instalment**" means any Instalment that is not duly paid (in whole or in part) by the relevant Borrower within seven days from the scheduled date for payment thereof.

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

"**Valuation Date**" means (i) with respect to the Initial Portfolios, 31 March 2013; and (ii) with respect to the Subsequent Portfolios, 31 December 2016.

1. FORM, DENOMINATION, STATUS

(1) The Notes will be held in dematerialised form on behalf of the beneficial owners as of the relevant Issue Date, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

(2) Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998; and (ii) the Resolution dated 22 February 2008 jointly issued by the Bank of Italy and the CONSOB, as amended from time to time. No physical document of title will be issued in respect of the Notes.

(3) The Class A Notes and the Series M-2017 Notes will be issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. Each Series of Class B Notes will be issued in denominations of Euro 10,000.

(4) The Issuer will elect Ireland as Home Member State for the purpose of the Transparency Directive.

(5) The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders attached to these Conditions as Exhibit 1, which shall constitute an integral and essential part of these Conditions.

(6) Each Note is issued subject to and has the benefit of the Security Documents.

2. STATUS, PRIORITY AND SEGREGATION

(1) The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolios and the other Issuer's Rights. Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds and the Single Portfolio Available Funds which may be applied for the relevant purpose, in accordance with the applicable Order of Priority and the terms of the Intercreditor Agreement and neither the Representative of the Noteholders nor any relevant Noteholder may take any further steps against the Issuer or any of its assets to recover any unpaid sum and the Issuer's liability for any unpaid sum will be extinguished. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under article 1469 of the Italian Civil Code. Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which has remained unpaid to the extent referred to above upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale (if any) of the then outstanding Portfolios, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the relevant Final Maturity Date (following application of the Single Portfolio Available Funds or the Issuer Available Funds, as the case may be, on such date in accordance with the applicable Order of Priority), shall be deemed extinguished and if the relevant claims irrevocably relinquished, waived and surrendered, by the Noteholders to the Issuer and the Noteholders will have no further

recourse to the Issuer in respect of such obligations.

(2) The Notes are secured by certain rights of the Issuer pursuant to the Security Documents and, in addition, by operation of Italian law, the Claims and the other Issuer's Rights are segregated from all other assets of the Issuer by operation of the Securitisation Law and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Order of Priority set forth in Condition 4 (*Orders of Priority*) and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction.

(3) The Notes of each Class will rank *pari passu* and without any preference or priority among themselves.

(4) As long as the Notes of a Class ranking in priority to the other Classes of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such Class due and payable, the Notes of the Class(es) ranking below may not be declared due and payable and the Noteholders of the outstanding Class of Notes ranking highest in priority shall be entitled to determine the remedies to be exercised.

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

(6) Without prejudice to the right of the Representative of the Noteholders to enforce the Security Documents or to exercise any of its other rights, and subject as set out in the Rules of Organisation of the Noteholders, no Class A Noteholder, no Class M Noteholder and no Class B Noteholder shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings until two years plus one day have elapsed since the day on which any note issued by the Issuer (including the Notes) has been paid in full or cancelled.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, (i) save with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 (*Further Securitisations*) below and, in the case provided for under Conditions 3.2 (c) below (*Restrictions on activities*) and 3.10 below (*Further Securitisation*), by giving a prior written notice to the Rating Agencies or (ii) save as provided for in or envisaged by any of the Transaction Documents:

3.1 Negative pledge

create or permit to subsist any Security Interest whatsoever over any of the Portfolios 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 Portfolios or any of its assets related to the Transaction; or

3.2 Restrictions on activities

(a) save as provided in Condition 3.10 below (*Further Securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

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

(c) at any time approve or agree or consent to or do, or permit to be done, any act or thing whatsoever which may be materially prejudicial, prior or following the delivery of a Trigger Notice, to the interests of the Class A Noteholders or, if no Class A Notes are outstanding, the Class M Noteholders or, if no Series M-2017 Notes are outstanding, the Class B Noteholders under the Transaction Documents (including for the avoidance of doubts actions that may lead to a substantial increase of the estimated weighted average life of the Notes as indicated in this Prospectus); or

(d) become the owner of any real estate asset; or

(e) become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interest in Italy.

3.3 Dividends, Distributions and Capital Increases

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

3.4 De-registrations

ask for de-registration/suspension from the register of the special purpose vehicles held by the Bank of Italy pursuant to the Bank of Italy regulation dated 30 September 2014, for as long as Law 130, or any other applicable law or regulation requires the company incorporated pursuant to Law 130 to be registered therewith; or

3.5 Borrowings

incur any indebtedness in respect of any borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than for the purposes of the Transaction; or

3.6 Merger

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

3.7 No variation or waiver

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of

the Class A Noteholders or, if no Class A Notes are outstanding the Class M Noteholders or, if no Series M-2017 Notes are outstanding the Class B Noteholders; or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, in a way which may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding the Class M Noteholders or, if no Series M-2017 Notes are outstanding the Class B Noteholders; or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding the Class M Noteholders or, if no Series M-2017 Notes are outstanding the Class B Noteholders; or

3.8 Bank Accounts

without prejudice to Condition 3.10, have an interest in any bank account other than the Accounts; or

3.9 Statutory Documents

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or

3.10 Further securitisation

None of the covenants in Condition 3 (*Covenants*) above shall prohibit the Issuer from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Securitisation, further portfolios of monetary claims in addition to the Claims either from the Originators or from any other entity (the "**Further Portfolios**");

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

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

(A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;

(B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;

(C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further

Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;

(D) the Issuer has notified DBRS of the implementation of each such Further Securitisation and has received prior confirmation by S&P that such implementation does not adversely affect the current ratings of the Class A Notes and the Series M-2017 Notes;

(E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include: (I) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and (II) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision;

(F) such further securitisation shall not affect the qualification of the Class A Notes as eligible collateral (if applicable), within the meaning of the guidelines issued by the European Central Bank (ECB) on December 2014 (*Implementation of the Eurosystem monetary policy framework*) and on November 2014 (*Additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9*), as subsequently amended and/or supplemented, for liquidity and/or open market transactions carried out with such central bank; and

(G) the Representative of the Noteholders is satisfied that conditions (A) to (F) of this provision have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

None of the covenants in Condition 3 (*Covenants*) above shall prohibit the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

4. ORDERS OF PRIORITY

4.1 Pre-Acceleration Order of Priority

The Single Portfolio Available Funds relating to the Portfolios 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) (the "**Pre-Acceleration Order of Priority**"):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to

maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account the relevant Outstanding Notes Ratio of the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Back-Up Servicer Facilitator, the Back-Up Servicers, the Stichting Corporate Services Provider and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the relevant Servicer as provided under the Servicing Agreement;

Sixth, to pay to the relevant Originator any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under clause 5.3 of the Warranty and Indemnity Agreements;

Seventh, to pay (i) the Interest Amount on the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding; and (ii) the Interest Amount on the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the relevant Single Portfolio Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to credit the Relevant Cash Reserve SubAccount with the amount required, if any, such that the Relevant Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter;

Tenth, to pay the Interest Amount on the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding (*pro rata* according to the amounts then

due);

Eleventh, following redemption in full of the Class A Notes, (i) to pay the relevant Single Portfolio Series M-2017 Notes Principal Payment Amount to the Class M Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding on such Payment Date;

Twelfth, to credit the Relevant Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Thirteenth, upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account;

Fourteenth (i) on any Payment Date with respect to which a First Single Portfolio Detrimental Event has occurred, to pay the relevant First Single Portfolio Detrimental Reserve Amount into the relevant Single Portfolio Detrimental Reserve Account;

Fifteenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Sixteenth, to pay to the other Originators (*pari passu* and *pro rata* according to the amounts then due) the Portfolio Difference (if any);

Seventeenth, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above)

Eighteenth, to pay any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of this Order of Priority, *pari passu* and *pro rata* according to the amounts then due, and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Nineteenth, to pay the Interest Amount on the relevant Series of Class B Notes (*pari passu* and *pro rata* according to the amounts then due);

Twentyth, to pay the Single Series Class B Notes Additional Interest Payment

Amount of the relevant Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* according to the amounts then due);

Twenty-first, following full redemption of the Class A Notes and the Series M-2017 Notes (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof), or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Principal Amount Outstanding of the Class B Notes on such Payment Date;

Twenty-second, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority as resulting from (i) the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, and (ii) in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

4.2 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall pay the relevant Principal Amortisation Reserve Amount into the respective Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has occurred.

A "**Disequilibrium Event**" shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to one or two or all of the others Portfolios are sufficient to reduce to zero the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding or the Single Portfolio Series M-2017 Notes Principal Amount Outstanding has already been reduced to zero on a previous Payment Date.

Upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios (unless a Cross Collateral Notice has been served on the Issuer), the Issuer shall be obliged to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has not occurred.

4.3 On each Payment Date with respect to which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, but excluding any Payment Date in relation to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Detrimental Event has occurred, the Issuer shall be obliged to credit the Detrimental Reserve Amount into the Detrimental Reserve Account, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

4.4 A "**Detrimental Event**" shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) when (i) the Default Ratio, as at any Collection Date, is higher than the Cumulative Target Default Ratio; or (ii) the aggregate balance of the Cash Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Cash Reserve SubAccounts on such Payment Date) and of the Additional Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Additional Reserve SubAccounts on such Payment Date) are less than 70% (seventy per cent) of the Global Target Cash Reserve Amounts.

4.5 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, but excluding any Payment Date in relation to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders, that a First Single Portfolio Detrimental Event has occurred with respect to one or more of the Portfolios, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to the Relevant Portfolio into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

A "**First Single Portfolio Detrimental Event**" shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Single Portfolio Default Ratio, as at any Collection Date, is higher than the Single Portfolio Target Default Ratio.

Upon the occurrence of a First Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

4.6 Acceleration Order of Priority

Following the delivery of a Trigger Notice, the Issuer 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) (the "**Acceleration Order of Priority**"):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the

Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account the relevant Outstanding Notes Ratio of the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Back-Up Servicer Facilitator, the Back-Up Servicers, the Stichting Corporate Services Provider and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the relevant Servicer as provided under the Servicing Agreement;

Sixth, to pay to the relevant Originator any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under clause 5.3 of the Warranty and Indemnity Agreements;

Seventh, to pay (i) the Interest Amount on the relevant Single Portfolio Series A-2013 Notes Principal Amount Outstanding; and (ii) the Interest Amount on the relevant Single Portfolio Series A-2017 Notes Principal Amount Outstanding (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the relevant Single Portfolio Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to credit the Relevant Cash Reserve SubAccount with the amount required, if any, such that the Relevant Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter;

Tenth, to pay the Interest Amount on the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding (*pro rata* according to the amounts then due);

Eleventh, following redemption in full of the Class A Notes, (i) to pay the relevant Single Portfolio Series M-2017 Notes Principal Payment Amount to the Class M Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding on such Payment Date;

Twelfth, to credit the Relevant Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Thirteenth, upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account;

Fourteenth (i) on any Payment Date with respect to which a First Single Portfolio Detrimental Event has occurred, to pay the relevant First Single Portfolio Detrimental Reserve Amount into the relevant Single Portfolio Detrimental Reserve Account;

Fifteenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Sixteenth, to pay to the other Originators (*pari passu* and *pro rata* according to the amounts then due) the Portfolio Difference (if any);

Seventeenth, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above)

Eighteenth, to pay any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of this Order of Priority, *pari passu* and *pro rata* according to the amounts then due, and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Nineteenth, to pay the Interest Amount on the relevant Series of Class B Notes (*pari passu* and *pro rata* according to the amounts then due);

Twentyth, to pay the Single Series Class B Notes Additional Interest Payment Amount of the relevant Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* according to the amounts then due);

Twenty-first, following full redemption of the Class A Notes and the Series M-2017 Notes (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof), or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Principal Amount Outstanding of the Class B Notes on such Payment Date;

Twenty-second, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance

of the relevant Single Portfolio Detrimental Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds towards payments only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, and **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

4.7 Cross Collateral Order of Priority

Following the delivery of a Cross Collateral Notice (and before the delivery of a Trigger Notice), the Issuer 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) (the "**Cross Collateral Order of Priority**"):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A Notes, the Series M-2017 Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Irish Listing Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay any fees and expenses of the Servicers as provided under the Servicing Agreement;

Sixth, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay (i) the Interest Amount on the Series A-2013 Notes; and (ii) the Interest Amount on the Series A-2017 Notes (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due) or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class A Notes on such Payment Date (*pari passu* and *pro rata* according to the amounts then due); provided that if the relevant holder of the Class A Notes holds more than one series of Class A Notes such amounts shall be paid *pari passu* and *pro rata* in proportion to the relevant Single Portfolio Class A -2013 Notes Principal Amount Outstanding and the relevant Single Portfolio Class A -2017 Notes Principal Amount Outstanding;

Ninth, to credit *pari passu* and *pro rata* according to the amounts then due each Cash Reserve SubAccount with the amount required, if any, such that each Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter;

Tenth, to pay the Interest Amount on the Series M-2017 Notes (*pro rata* according to the amounts then due);

Eleventh, (i) to pay the Series M-2017 Notes Principal Payment Amount to the Class M Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Series M-2017 Notes on such Payment Date;

Twelfth, to credit *pari passu* and *pro rata* according to the amounts then due each Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Thirteenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Fourteenth, to pay to each Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference according to the amounts then due (if any);

Fifteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts the due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above);

Sixteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to

the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other item of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime or CR Cento (as the case may be) pursuant to clause 8 of the relevant Notes Subscription Agreement);

Seventeenth, to pay the Interest Amount on the Class B Notes (*pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Eighteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Nineteenth, following full redemption of the Class A Notes and the Series M-2017 Notes, (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof); or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class B Notes on such Payment Date;

Twentyth, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Cash Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Issuer Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Cross Collateral Order of Priority, as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

4.8 Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the Portfolios in the event of a shortfall of the Single Portfolio Available Funds (being augmented through the Relevant Cash Reserve) and therefore the Relevant Cash Reserve will be included in the Single Portfolio Available Funds, to meet any shortfall in the Single Portfolio Available Funds (calculated without taking into account the amounts under item (x) of such Single Portfolio Available Funds) in respect of payments ranking as items (*First*) to (*Seventh*) of the

Pre-Acceleration Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date.

Each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve, Banca Alpi Marittime Cash Reserve and CR Cento Cash Reserve on any Payment Date shall be utilised:

(i) firstly, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the relevant Single Interest Shortfall, and

(ii) thereafter (to the extent not utilised under item (i)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date. In particular, the Cash Reserve will be included in the Issuer Available Funds to meet any shortfall in the Issuer Available Funds (calculated without taking into account the amounts under item (xii) of such Issuer Available Funds), in respect of payments ranking as (*First*) through (*Seventh*) of the Cross Collateral Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and on any Payment Date on which the Acceleration Order of Priority applies.

If, on any Calculation Date it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each relevant amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (each relevant amount, the "**Banca CR Savigliano Cash Reserve Excess**", the "**Banca MCFVG Cash Reserve Excess**", the "**Banca Alpi Marittime Cash Reserve Excess**" and the "**CR Cento Cash Reserve Excess**" each a "**Cash Reserve Excess**") (if any) shall, on the Payment Date on which the Class A Notes are redeemed in full, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

On any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Target Cash Reserve Amount applicable to the immediately following Payment Date (each relevant amount, the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**", the "**Banca Alpi Marittime Cash Reserve Amortisation Amount**" and the "**CR Cento Cash Reserve Amortisation Amount**" each a "**Cash Reserve Amortisation Amount**") (if any) shall, on the immediately following Payment Date, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

5. INTEREST

5.1 Payment Dates and Interest Periods

Subject to Condition 1 (*Form, Denomination, Status*) 5.2 (*Interest Rate*) and 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*), each of the Notes bears interest on its Principal Amount Outstanding from (and including) the relevant Issue Date at an annual rate equal to Three Month EURIBOR (as defined below), plus, (i) in respect of the Class A Notes, the Class A Margin; or (ii) in respect of the Series M-2017 Notes, the Class M Margin. Save as provided for in Condition 5.8 (*Interest Amount Arrears*) interest in respect of the Notes is payable quarterly in arrears on each Payment Date in Euro.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

In addition, the Class B Notes bear in each Interest Period an additional interest in the amount of the Single Series Class B Notes Additional Interest Payment Amount.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the rate of interest from time to time applicable to the Notes until the monies in respect thereof have been received by the Representative of the Noteholders and the Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect has been given in accordance with Condition 13 (*Notices*).

5.2 Interest Rate

Without prejudice to what provided under Condition 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*), the rate of interest applicable from time to time in respect of the Notes ("**Interest Rate**") will be determined by the Agent Bank, in respect of each Interest Period, on the relevant Interest Determination Date.

The Interest Rate applicable to each of the Notes for each Interest Period shall be the higher of:

1) 0% (zero per cent); and

2) the aggregate of:

5.2.1 in respect of the Class A Notes:

(i) (A) EURIBOR for three month deposits in Euro calculated as the arithmetic mean of the offered quotations to leading banks (rounded to three decimal places with the mid-point rounded up) for three month Euro deposits in the Euro-zone inter-bank market which appear on Reuters page "EURIBOR01" or (i) such other page as may replace page EURIBOR0l on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one for which the Agent Bank receives a prior written approval from the Representative of the Noteholders to replace the Reuters Page) (the "**Screen Rate**"), at or about 11.00 a.m. (Milan time) on the relevant Interest Determination Date; or

(B) if the Screen Rate is unavailable at such time for three month Euro deposits, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks (as defined in Condition 5.7 hereof (*References Bank, Principal Paying Agent and Agent Bank*) as the rate at which three month Euro deposits 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. (Milan time) on the relevant Interest Determination Date. If, on any such Interest Determination Date, only two of the Reference Banks provide such quotations to the Agent Bank, the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such quotation, the Agent Bank shall forthwith consult with the Representative of the Noteholders and the Issuer for the purpose of agreeing one additional bank (or, where none of the Reference Banks provides such a quotation, two additional banks) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the sole and absolute opinion of the Representative of the Noteholders suitable for such purpose) and the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of such banks (or, as the case may be, the offered quotations of such bank and the relevant Reference Bank). If no such bank (or banks) is (or are) so agreed or such bank (or banks) as agreed does not (or do not) provide such a quotation (or quotations), then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (A) of this Condition 5.2.1 shall have applied

(the "**Three Month EURIBOR**"); and

(ii) the Class A Margin; and

5.2.2 in respect of the Series M-2017 Notes,

(i) the Three Month EURIBOR as determined and defined in accordance with this Condition 5 (*Interest*), and

(ii) the Class M Margin; and

5.2.3 in respect of the Class B Notes, the Three Month EURIBOR as determined and defined in accordance with this Condition 5 (*Interest*);

provided that only the Three Month EURIBOR applicable to the Class A Notes shall not be, at any time, higher than 5.00% (five per cent) per annum and, accordingly, if at any time the Three Month EURIBOR is higher than 5.00% (five per cent) per annum, in respect to the Class A Notes only it shall be deemed as being equal to 5.00% (five per cent) per annum.

For the purpose of these Conditions, the "**Class A Margin**" shall be equal to 0,40% *per annum* and the "**Class M Margin**" shall be equal to 1,10% *per annum*.

5.3 Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount

5.3.1 The Agent Bank shall, on each Interest Determination Date:

(i) determine the Interest Rate applicable to the Interest Period beginning after such Interest Determination Date (or in case of the Initial Interest Period, beginning on and including the relevant Issue Date); and

(ii) calculate the Euro amount (the "**Interest Amount**") accrued on the Notes in respect of each Interest Period. The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Notes on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) or, in the case of the Initial Interest Period, on the relevant Issue Date, and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up); provided, in any case, that, following delivery of a Cross Collateral Notice or a Trigger Notice, interest on each Series of Class B Notes shall be due a payable in an amount equal to the relevant Single Series Class B Notes Interest Amount.

5.3.2 The Computation Agent shall, on each Calculation Date:

(i) calculate the Euro amount (the "**Single Series Class B Notes Interest Amount**") accrued on each Series of Class B Notes equal to, on each Payment Date: the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Eleventh*) of the Acceleration Order of Priority or under items from (*First*) to (*Thirteenth*) of the Cross Collateral Order of Priority, as applicable; and

(ii) with respect to each Series of Class B Notes, determine the Single Series Class B Notes Additional Interest Payment Amount (if any) applicable on the Payment Date following such Calculation Date.

5.4 Publication of the Interest Rate and the Interest Amount

The Agent Bank will cause the Interest Rate and the Interest Amount applicable to each Interest Period and the Payment Date in respect of such Interest Amount, to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicers, the Corporate Services Provider, Monte Titoli, the Security Trustee, the Principal Paying Agent, Local Paying Agent, the Cash Manager and the Irish Stock Exchange and, if required by the Issuer, to Euroclear and Clearstream, and will cause the same to be published in accordance with Condition 13 (*Notices*) hereof as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Interest Period in respect of such relevant Interest Determination Date.

5.5 Determination and Calculation by the Representative of the Noteholders

If the Agent Bank (or the Issuer or any other agent appointed to this purpose by the Issuer) does not at any time for any reason determine the Interest Rate and/or does not calculate the Interest Amount, or if the Computation Agent (or the Issuer or any other agent appointed to this purpose by the Issuer) does not determine the Single Series Class B Notes Interest Amount or the Single Series Class B Notes Additional Interest Payment Amount, in

accordance with Condition 5.3 (*Determination of the Interest Rate, Calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*) above, the Representative of the Noteholders shall (but without incurring, in the absence of willful misconduct (*dolo*) or gross default (*colpa grave*), any liability to any person as a result):

5.5.1 determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 above (*Interest Rate*)) it shall consider fair and reasonable in all circumstances; and/or (as the case may be),

(a) calculate the Interest Amount in the manner specified in Condition 5.3 above (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*);

(b) calculate the Single Series Class B Notes Interest Amount and the Single Series Class B Notes Additional Interest Payment Amount as indicated in Condition 5.3 above (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*);

and any such determination and/or calculation shall be deemed to have been made by the Principal Paying Agent and/or the Computation Agent as applicable.

5.6 Notification to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them), the Principal Paying Agent, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of willful default (*dolo*), gross negligence (*colpa grave*), bad faith and manifest error) be binding on the Reference Banks, the Principal Paying Agent, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in the absence of willful default (*dolo*) and gross negligence (*colpa grave*)) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent, the Agent Bank, the Computation 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.

5.7 Reference Banks, Principal Paying Agent, Local Paying Agent and Agent Bank

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three Reference Banks, the Principal Paying Agent, the Local Paying Agent and the Agent Bank. In the event that any of the Reference Banks is unable or unwilling to continue to act as a Reference Bank or that any of the Reference Banks merge with another 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. The Issuer shall ensure that at all times a principal paying agent is appointed. If a new principal paying agent is appointed, a notice will be published in accordance with Condition 13 (*Notices*).

5.8 Interest Amount Arrears

Without prejudice to Condition 1 (*Form, Denomination, Status*) and to the right of the Representative of the Noteholder to serve to the Issuer a Trigger Notice pursuant to Condition 9.1(a) (*Non Payment*), in the event that the Single Portfolio Available Funds or the Issuer

Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable) for the payment of interest on any of the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on any of the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

5.9 The Local Paying Agent, based upon the information contained in the Payments Report, shall give notice to Monte Titoli, the Issuer and the Representative of the Noteholders, and will cause notice to that effect to be given to the Noteholders in accordance with Condition 13 (*Notices*), no later than 3 (three) Business Days prior to any Payment Date, of any Payment Date on which the Interest Amount on the Class A Notes will not be paid in full.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

Unless previously redeemed in full as provided for in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem in full the Notes at their Principal Amount Outstanding, on the relevant Final Maturity Date.

The Issuer may not redeem the Class A Notes and the Series M-2017 Notes in whole or in part prior to the relevant Final Maturity Date except as provided for in Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*) below, but without prejudice to Condition 9 (*Trigger Events*).

6.2 Redemption for Taxation

If the Issuer **(1)** has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer; and **(2)** has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days' prior written notice to the Representative of the Noteholders, the Noteholders in accordance with Condition 13 (*Notices*), to the effect that the Issuer:

A. (also through the Issuer's Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable authority having jurisdiction; or

B. (also through the Issuer's Agent) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisations; and in each case will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities with respect of the Class A Notes and any amounts required under the Conditions to be paid in priority to, or *pari passu* with the Class A Notes, the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Class A Notes in whole (but not in part) at their Principal Amount

Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class A Notes; (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Series M-2017 Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Series M-2017 Notes, and (iii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes.

6.3 Mandatory Redemption

The Class A Notes and the Series M-2017 Notes (upon redemption in full of the Class A Notes) will be subject to mandatory redemption in full or in part:

(a) on any Payment Date (other than the Payment Date under item (b) below) in a maximum amount equal to their Principal Payment Amount with respect to such Payment Date;

(b) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding;

if, on each Calculation Date preceding such Payment Date, it is determined that there will be sufficient Single Portfolio Available Funds or Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority as applicable.

Upon redemption of the Class A Notes and the Series M-2017 Notes, each Series of the Class B Notes will be subject to mandatory redemption in full or in part, on any Payment Date, at their Principal Amount Outstanding, in a maximum amount equal to the relevant Single Series Class B Available Redemption Funds if, on the Calculation Date preceding such Payment Date, it is determined that there will be sufficient Single Portfolio Available Funds or Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable.

6.4 Optional Redemption

The Issuer may redeem on any Payment Date falling on or after the Clean-Up Date:

(i) the Notes in whole (but not in part) at their respective Principal Amount Outstanding, together with interest accrued and unpaid thereon up to the date fixed for redemption; or

(ii) with the prior consent of the Class M Noteholders and the Class B Noteholders, the Class A Notes only at their Principal Amount Outstanding, together with interest accrued and unpaid thereon up to the date fixed for redemption; or

(iii) with the prior consent of the Class B Noteholders, the Class A Notes and the Series M-2017 Notes only, together with interest accrued and unpaid thereon up to the date

fixed for redemption.

"**Clean-Up Date**" means the Payment Date falling on November 2021.

Such Optional Redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the Notes to be redeemed and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with such Notes.

6.5 Funding for Optional Redemption and for Redemption for Taxation

The Issuer is entitled to dispose of the Claims in order to (a) finance the Optional Redemption of the Notes or (b) finance the Redemption for Taxation of the Class A Notes, the Series M-2017 Notes or the Notes, as the case may be. Should the above sale occur, the amounts therefrom will be included in the Single Portfolio Available Funds or in the Issuer Available Funds, as applicable, on the relevant Payment Date.

6.6 Sale of the Portfolios

In case of sale of the Portfolios pursuant to Conditions 6.5 (*Funding for Optional Redemption and for Redemption for Taxation*) and 9 (*Trigger Events*), the purchase price of the Claims shall be equal to the Outstanding Balance plus interests accrued and unpaid as at such date.

If the Portfolios comprise any Defaulted Claim, the purchase price of such Claims shall be equal to their current value, as determined by one or more third parties chosen between international accounting companies independent from the purchaser and appointed by common consent by the Issuer and the Representative of the Noteholders.

Within the date of payment of the purchase price related to the sale of the Claims above described, the relevant purchaser shall deliver to the Issuer (or to the Representative of the Noteholders, in case of sale of the Portfolios after the service of a Trigger Notice): (i) a certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) dated not later than 10 (ten) days before the date of the sale of the Portfolios; (ii) a solvency certificate signed by a legal representative duly authorized by the purchaser, dated the date of the sale of the Portfolios; and (iii) except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also (a certificate from the appropriate bankruptcy court ("*tribunal civile – sezione fallimentare*") confirming that no insolvency petitions have been filed against such potential purchaser, dated not later than 10 (ten) days before the date of the sale of the Portfolios.

The transfer of the Portfolios pursuant to this Condition 6.6 (*Sale of the Portfolios*) shall be construed as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code with express derogation by the relevant parties of article 1266 of the Italian civil code with reference to the guarantee, granted by the transferor, of the existence of the claims and article 1448 of the Italian civil code shall not apply. The transfer of the relevant Portfolios shall be subject to payments to the Issuer of the relevant purchase price, provided that all the documentation listed in this Condition 6.6 (*Sale of the Portfolios*) has been timely delivered to the Issuer.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement.

In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio in case a bankruptcy or similar proceeding has been commenced against the Issuer or in any other case such a sale would be prohibited under Italian law.

Any cost and expense related to the transfer of the Claims shall be borne by the purchaser.

6.7 Notice of Redemption

Any such notice as is referred to in Condition 6.4 (*Optional Redemption*) and 6.2 (*Redemption for Taxation*) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be obliged to redeem the Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*). The Issuer or the Representative of the Noteholder, as the case may be, will give a notice to the Rating Agencies of the redemption of the Class A Notes and the Series M-2017 Notes pursuant to Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*).

6.8 Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines (on the Issuer's behalf), *inter alia*:

(a) the amount of the Issuer Available Funds;

(b) the Principal Amount Outstanding of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on the Notes on that Payment Date);

(c) with respect to the Series M-2017 Notes, the amount of the relevant Interest Amount;

(d) with respect to each Series of Class A Notes, the amount of the relevant Interest Amount;

(e) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Interest Amount;

(f) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Additional Interest Payment Amount;

(g) with respect to each Portfolio: (i) the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding and Single Portfolio Class A Notes Principal Payment Amount; (iii) the relevant Single Portfolio Series M-2017 Notes Principal Amount Outstanding and Single Portfolio Series M-2017 Notes Principal Payment Amount; (iv) the Single Series Available Class B Notes Redemption Funds;

(h) the amount of the Principal Amortisation Reserve Amount, the Detrimental Reserve Amount (if any) or the First Single Portfolio Detrimental Reserve Amount (if any), the Target Cash Reserve Amounts, the Additional Target Cash Reserve Amounts, each Cash Reserve Amortisation Amount (if any), each Cash Reserve Excess and the amount of each Cash Reserve that shall be utilized to augment the Issuer Available Funds and the Single Portfolio Available Funds. Any calculation in respect of the

Cash Reserves shall be made by the Computation Agent in accordance with clause 14 of the Cash Administration and Agency Agreement; and

(i) all payments due to be done by the Issuer on the immediately following Payment Date and, within the Payments Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Rating Agencies, the Irish Listing Agent, the Cash Manager, the Agent Bank and the Back-Up Servicer Facilitator a payments report setting out all such payments and the occurrence of any Cross Collateral Event, substantially in the form attached under Schedule 1 of the Cash Administration and Agency Agreement (the "**Payments Report**");

should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds or the Issuer Available Funds (as the case may be) towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority, as the case may be as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates. Each determination by or on behalf of the Issuer of any of the item above, the payment of principal on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of willful default, gross negligence, bad faith and manifest error) be final and binding on all persons.

The Issuer shall or procure that the Computation Agent shall, no later than each Calculation Date, cause each determination of (i) the amount of Issuer Available Funds or Single Portfolio Available Funds which shall be paid to the Principal Paying Agent on the relevant date for application to repay principal and interest under the Notes; (ii) the amount of principal payment (if any) due to be made on each Class of Notes on the next following Payment Date, (iii) the amount of interest with respect to each Class of Notes to be paid on the following Payment Date, and (iv) the Principal Amount Outstanding of each Class of Notes after deduction of the amounts of principal to be made on the immediately following Payment Date to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Corporate Services Provider, the Servicers, the Italian Account Bank, the English Account Bank, Euroclear, Clearstream, the Irish Stock Exchange, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank and Monte Titoli and shall cause notice of such determination to be given to the Noteholders in accordance with Condition 13 (*Notices*). As long as the Notes are not redeemed in full, if no principal payment is due to be made on the Notes on a Payment Date, notice to this effect shall also be given by the Issuer to the Noteholders in accordance with Condition 13 (*Notices*).

The Computation Agent pursuant to the Cash Admistration and Agency Agreement on each Calculation Date, shall verify:

(a) whether a Disequilibrium Event provided for in Condition 4.2, a Detrimental Event provided for in Condition 4.4 or a First Single Portfolio Detrimental Event provided for in Condition 4.5 have occurred as at such Calculation Date;

(b) that on the following Payment Date and based on the calculations made by it the

Trigger Event provided for in Condition 9.1(a)(ii) will not occur; and

(c) that none of the Cross Collateral Event provided for in Condition 10 (*Cross Collateral Events*) have occurred as at such Calculation Date;

(d) if the Cash Reserve Release Conditions are met.

The Computation Agent pursuant to the Cash Admistration and Agency Agreement shall, in case a First Single Portfolio Detrimental Event and/or a Disequilibrium Event and/or a Detrimental Event with respect to one or more Portfolios has occurred, on the Business Day immediately following each Calculation Date, give the Issuer and the English Account Bank written notice (anticipated via *facsimile*) of such occurrence (respectively, the "**First Single Portfolio Detrimental Event Notice**", the "**Disequilibrium Event Notice**" and the "**Detrimental Event Notice**"). By the First Single Portfolio Detrimental Event Notice and/or the Disequilibrium Event Notice and/or the Detrimental Event Notice, the Computation Agent shall instruct (in the name and on behalf of the Issuer) the English Account Bank to open, respectively, the relevant Single Portfolio Detrimental Reserve Account and/or Principal Amortisation Reserve Account.

If no principal payment or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the provisions of this Condition 6.8, such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Representative of Noteholders in accordance with this Condition 6.8 and each such determination shall be deemed to have been made by the Issuer.

In any case, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Redemption, Purchase and Cancellation*) by the Representative of the Noteholders shall (in the absence of manifest error, willful default (*dolo*) or gross negligence (*colpa grave*)) be binding on the Issuer and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to 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.

6.9 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.10 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

All Notes shall be in any case cancelled upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale of the Portfolios, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the relevant Final Maturity Date (following application of the Single Portfolio Available Funds or the Issuer Available Funds on such date in accordance with the applicable Order of Priority).

7. PAYMENTS

7.1 The Paying Agents shall arrange for payment of principal and interest in respect of the Notes to be made through the relevant operators of Monte Titoli, Clearstream and Euroclear to the

accounts of the beneficial owners of the Notes with such operators in accordance with the rules and procedures of Monte Titoli, Clearstream and Euroclear, as the case may be.

7.2 Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.3 If the due date for any payment of principal and/or interest (or any later date on which any Note could otherwise be presented for payment) is not a Business Day, the Noteholders will not be entitled to payment of the relevant amount until the immediately following Business Day. The Noteholders will not be entitled to any interest or other payment in consequence of any delay in receiving the amount due as a result of the due date not being a Business Day.

7.4 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Local Paying Agent and the Principal Paying Agent and to appoint additional or other paying agents including the Local Paying Agent and the Principal Paying Agent.

7.5 The Issuer will cause other than in case specific matter of urgency does not allow such time limits to be met (i) an at least 45 days prior notice to be given to the Noteholders of any replacement of the Paying Agents or (ii) an at least 30 days prior notice to be given to the Noteholders of any change of the registered office of the Local Paying Agent or Specified Office of the Principal Paying Agent, both under (i) and (ii) above in accordance with Condition 13 (*Notices*).

8. TAXATION

All payments with respect to the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatever kind other than a Law 239 Deduction or any other withholding or deduction required to be made by any applicable law (including, for the avoidance of doubt, any withholding or deduction required pursuant to U.S. Foreign Account Tax Compliance Act, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto). Neither the Issuer nor any other Person shall be obliged to pay any additional amount to any Noteholder as a consequence of any such withholding or deduction.

9. TRIGGER EVENTS

9.1 If any of the following events (each a "**Trigger Event**") occurs:

(a) *Non-payment:*

(i) having enough Single Portfolio Available Funds or Issuer Available Funds available to it to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes, in each case for a period of five Business Days from the due date thereof (provided however that, for the avoidance of doubt, non payment of principal on the Notes (on any Payment Date other than the relevant Final Maturity Date), due to any of the Servicers not having provided the Quarterly Servicing Report and in accordance with Condition 4.1 (*Pre-Acceleration Order of Priority*) or Condition 4.7 (*Cross Collateral Order of Priority*) shall not constitute a Trigger Event);

(ii) irrespective of whether there are Single Portfolio Available Funds or Issuer

Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Class A Notes is lower than the relevant Interest Amount;

(iii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A Notes or the Series M-2017 Notes on the relevant Final Maturity Date; or

(iv) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), on the relevant Final Maturity Date the amount paid by the Issuer as interest on the Series M-2017 Notes is lower than the relevant Interest Amount; or

(b) *Breach of other obligations*:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes and requiring the same to be remedied; or

(c) *Breach of representation and warranties:*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

(d) *Insolvency*:

An Insolvency Event occurs with respect to the Issuer; or

(e) *Unlawfulness*:

It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party;

then the Representative of the Noteholders:

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in the case of the Trigger Events set out

under points (b) and (c) above;

(iii) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to the Servicers) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with accrued interest, and that the Acceleration Order of Priority shall apply.

Upon the service of a Trigger Notice as described in this Condition 9 (*Trigger Events*): (i) the Notes shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued at such date but which has not been paid on any preceding Interest Payment Date, without further action, notice or formality; (ii) if the Issuer fails to pay any amounts due and payable under item (i), the Deed of Pledge and the Deed of Charge shall become enforceable; and (iii) the Representative of the Noteholders may or shall, subject to Condition 11 (*Enforcement*) and provided that no Bankruptcy Proceedings (other than Bankruptcy Proceedings allowing the disposal of assets by the affected entity) has been commenced against the Issuer, dispose of the Claims in the name and on behalf of the Issuer. Save for the powers attributed to the Security Trustee pursuant to the Deed of Charge, the Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders from and including the date on which the Notes shall become due and payable.

10. CROSS COLLATERAL EVENTS

If any of the following events occurs (each a "**Cross Collateral Event**"):

(a) *Disequilibrium Event*

With respect to three successive Payment Dates, a Disequilibrium Event occurs;

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 5.50% (five point fifty percent); or

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Principal Single Portfolio Shortfall is equal to or exceeds the Cash Reserve;

(d) *Arrear Ratio*

On any Calculation Date, the arithmetic mean of the Arrear Ratios of the four preceding Collection Periods (each calculated in the relevant Collection Date) exceeds 7%. For the avoidance of doubt the first calculation of such mean will be on February 2018;

then the Representative of the Noteholders shall, subject to it being indemnified and/or

secured to its satisfaction, serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to the Servicers) and from the immediately following Payment Date the Cross Collateral Order of Priority shall apply without any further action or formality (provided that a Trigger Notice has not been already served).

11. ENFORCEMENT

At any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit, to enforce repayment of the Notes and payment of interest accrued thereon, but it shall not be bound to take any such steps and/or institute any such proceedings unless:

(i) it shall have been so requested in writing by the holders of at least 75% of the Principal Amount Outstanding of the Most Senior Class of Notes or unless it shall have been so directed by a resolution of the holders of the Most Senior Class of Notes; and

(ii) it shall have been fully indemnified and/or secured as to costs, damages and expenses to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

In addition, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contains (i) provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes and (ii) provisions limiting the powers of the Noteholders, *inter alia*, to institute against or join any person in instituting against, the Issuer, any bankruptcy, insolvency or compulsory liquidation and similar proceedings, that shall be deemed to be included in this Conditions and shall be binding on all the Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 (*Trigger Events*) or Condition 10 above (*Cross Collateral Events*), by the Representative of the Noteholders shall (in the absence of willful default, gross negligence, bad faith or manifest error) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

12. THE REPRESENTATIVE OF THE NOTEHOLDERS

12.1 The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

12.2 Pursuant to the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

12.3 The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation of the Noteholders. The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the Rules of the

Organisation of the Noteholders, except for the initial Representative of the Noteholders who is appointed at the time of issue of the Notes pursuant to the relevant Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

12.4 Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided a successor Representative of the Noteholders is appointed and can resign at any time. The Representative of the Noteholders appointed pursuant to the relevant Notes Subscription Agreement is Accounting Partners S.r.l. and any successor as Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or

(b) a company or financial institution registered under article 106 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or

(c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

12.5 The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction and providing for the indemnification of the Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment. So long as the Class A Notes are listed on the Irish Stock Exchange, any change in the identity of the Representative of the Noteholders shall be notified to the Irish Stock Exchange.

13. NOTICES

So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

So long as the Class A Notes and the Series M-2017 Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Irish Stock Exchange (www.ise.ie) (for the avoidance of doubt, such website does not constitute part 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 required in a newspaper as referred to above.

In addition, so long as the Class A Notes and the Series M-2017 Notes are listed on the Irish Stock Exchange, any notice regarding the Class A Notes and the Series M-2017 Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class (which shall be notified by the Issuer to the Paying

Agents) if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

14. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof.

15. GOVERNING LAW AND JURISDICTION

15.1 The Notes and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

15.2 With the exception of the Deed of Charge which is governed by English law and the Stichting Corporate Services Agreement which is governed by Dutch law, all the Transaction Documents and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

15.3 The Courts of Milan shall have exclusive jurisdiction to settle any disputes (including all non contractual obligations arising out or in connection with the Notes) that may arise out of or in connection with the Notes.

EXHIBIT 1

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I - GENERAL PROVISIONS

Article 1 (*General*)

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Class A Notes, the Series M-2017 Notes and the Class B Notes.

The contents of these Rules are considered included in each Note issued by the Issuer.

Article 2 (*Definitions*)

In these Rules, the following expressions have the following meanings:

"**Basic Terms Modification**" means:

1. a modification of the date of maturity of the relevant Class of Notes;

2. a modification which would have the effect of postponing any day for payment of interest or principal on the Notes;

3. a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of a Class of Notes or the rate of interest applicable in respect of a Class of Notes;

4. a modification which would have the effect of altering the majority of votes required to pass a specific resolution or the quorum required at any meeting;

5. a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of redemption or priority of a Class of Notes;

6. a modification which would have the effect of altering the authorisation or consent by the Class A Noteholders, as pledgees, to applications of funds as provided for in the Transaction Documents;

7. the appointment and removal of the Representative of the Noteholders;

8. an amendment of this definition.

"**Business**" means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting including (without limitation) the passing or rejection of any resolution.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 of these Rules.

"**Class A Noteholders**" means the holders of the Class A Notes.

"**Class B Noteholders**" means the holders of the Class B Notes.

"**Class M Noteholders**" means the holders of the Series M-2017 Notes.

"**Class of Notes**" means the Class A Notes, the Series M-2017 Notes and the Class B Notes.

"**Extraordinary Resolution**" means a resolution of the Meeting of the Relevant Class Noteholders in relation to the matters specified under Article 20 of these Rules, duly convened and held in accordance with the provisions of these Rules.

"**Issuer**" means Alchera SPV S.r.l.

"**Meeting**" means the meeting of the Noteholders or a Class of Noteholders (whether originally convened or resumed following an adjournment).

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

"**Notes**" and "**Noteholders**" mean:

(a) in connection with a Meeting of Class A Noteholders, Class A Notes and Class A Noteholders respectively;

(b) in connection with a Meeting of Class M Noteholders, Series M-2017 Notes and Class M Noteholders respectively;

(c) in connection with a Meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively; and

(d) otherwise, in the case of a joint Meeting of more than one Class, any or all of the Class A Notes and the Series M-2017 Notes and the Class B Notes and any or all of the Class A Noteholders and Class M Noteholders and the Class B Noteholders respectively.

"**Person(s)**" means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership, or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

"**Principal Paying Agent**" means Citibank N.A., London Branch in its capacity as Principal Paying Agent pursuant to the Cash Administration and Agency Agreement and its permitted successors or assignees from time to time.

"**Proxy**" means, in relation to any Meeting, a person duly appointed to vote in the name and on behalf of a Noteholder.

"**Relevant Class Noteholders**" means the Class A Noteholders or the Class M Noteholders or the Class B Noteholders as the context may require.

"**Relevant Fraction**" means:

(i) for all Business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of the Notes (in case of a Meeting of a particular Class of Notes) or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the Notes (in case of a Meeting of a particular Class of Notes); or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, three-quarters of the Principal Amount Outstanding of the outstanding Notes in that Class;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) for all Business other than the voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes represented at such Meeting or the fraction of the Principal Amount Outstanding of the Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders) one-third of the Principal Amount Outstanding of the outstanding Notes in that Class.

"**Representative of the Noteholders**" means Accounting Partners S.r.l., in its capacity as representative of the Noteholders, which expression shall include its successors and any further or other representative of the Noteholders appointed pursuant to the relevant Notes Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Rules**" means these Rules of the Organisation of the Noteholders.

"**Security Documents**" means the Deed of Pledge and the Deed of Charge.

"**Secured Parties**" means the beneficiaries of the Security Documents.

"**Specified Office**" means the office of (i) the Principal Paying Agent located at Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, or (ii) the Irish Listing Agent located at The Harcourt Building, Harcourt Street, Dublin 2 Ireland, as the case may be.

"**Voter**" means, in relation to any Meeting, any Noteholder or his/her Proxy.

"**Voting Certificate**" means, in relation to any Meeting a certificate issued to the relevant Noteholder by the relevant Monte Titoli Account Holder in accordance with the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended, supplemented or restated.

"**Written Resolution**" means a resolution in writing signed by or on behalf of the Relevant Fraction required for an Extraordinary Resolution applicable to the relevant 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 such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting is to be held and in each of the places where the Principal Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

"**48 hours**" means 2 consecutive periods of 24 hours.

Other defined terms and expressions shall have the meaning given to them in the Conditions.

Article 3 (*Organisation purpose*)

Each Class A Noteholder, Class M Noteholder and Class B Noteholder is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to coordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to the Class A Noteholders and/or the Class M Noteholders and/or the Class B Noteholders or, where the context requires, a reference to the Class A Noteholders, Class M Noteholders and the Class B Noteholders collectively.

TITLE II - THE MEETING OF NOTEHOLDERS

Article 4 (*General*)

Subject to Article 20 below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such Class whether present or not present at such Meeting and whether voting or not voting, and

(1) any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class M Noteholders and the Class B Noteholders; and

(2) in the above case, all the relevant Classes of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 (fourteen) days of the conclusion of the Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Class A Noteholders, Class M Noteholders and the Class B Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification) and the provisions of these Rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply where outstanding Notes belong to more than one Class:

(i) Business which in the opinion of the Representative of the Noteholders affects only one Class of Notes shall be transacted at a separate Meeting of the relevant Noteholders;

(ii) Business which in the 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 such 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 Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine at its absolute discretion;

(iii) Business which in the 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;

(iv) in case of separate Meetings of the holders of each Class of Notes, these Rules shall be applied as if references to the Notes and the Noteholders are to the Notes of the relevant Class and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class, as if references to the Notes and the Noteholders are to the Notes of the relevant Classes and to the holders of the Notes of such Classes.

Article 5 (*Voting Certificates*)

Noteholders may obtain a Voting Certificate from the relevant Monte Titoli Account Holder upon request in accordance with article 21 of the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB.

Subject to the provision of the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB (as subsequently amended and supplemented), a Voting Certificate shall be valid until the conclusion of the Meeting specified (if any) in the Voting Certificate, or any adjournment of such Meeting held prior to the expiration of the relevant Voting Certificate.

So long as a Voting Certificate is valid, the bearer thereof or any Proxy named therein shall be deemed to be the holder of the relevant Notes to which it relates for all purposes in connection with the Meeting.

Article 6 (*Validity of Voting Certificates*)

A Voting Certificate in respect of a Noteholder shall be valid only if it is deposited or sent (also by electronic means) at the Specified Office of the Principal Paying Agent, or at some other place approved by the Principal Paying Agent, at any time prior to the time fixed for a Meeting. If the Principal Paying Agent requires satisfactory proof of the identity of each Proxy named in the relevant Voting Certificate, such proof shall be produced at the Meeting, but the Principal Paying Agent shall not be obliged to investigate the validity of any Voting Certificate or the authority of any Proxy.

Article 7 (*Convening of Meeting*)

The Issuer and the Representative of the Noteholders may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the Principal Amount Outstanding of the outstanding Notes of the Class or Classes in respect of which the Meeting is being convened. If the Issuer fails to take the necessary action to convene a Meeting when obliged to do so, the Meeting may be convened by the Representative of the Noteholders acting solely.

Whenever the Issuer is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the Business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve.

Article 8 (*Notice*)

At least 21 (twenty-one) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the relevant Noteholders, the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 13 (*Notices*) at least 15 (fifteen) days before the date of the Meeting. The notice shall set forth the full text of any resolutions to be proposed and that Voting Certificates shall be obtained to participate to the Meeting.

The 21 (twenty-one) day's notice of any Meeting shall be deemed to be waived by the Noteholders if:

a. Noteholders representing 100% (hundred per cent) of the Principal Amount Outstanding of the relevant Class or Classes of Notes attend the relevant Meeting; or

b. Noteholders representing 100% (hundred per cent) of the Principal Amount Outstanding of the relevant Class or Classes of Notes request the relevant Meeting.

Article 9 (*Chairman of the Meeting*)

An individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; or (iii) the Meeting resolves not to approve the appointment made by the Representative of the Noteholders, those present shall elect one of themselves to take the chair failing which the Issuer may appoint a Chairman.

The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman verifies that the Meeting is duly held, coordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10 *(Quorum and passing of resolutions)*

The quorum at any Meeting shall be at least one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

A resolution is validly passed when the majority of the votes cast by the Voters attending the relevant Meeting has been cast in favour of it.

Article 11 (*Adjournment for want of quorum*)

If within 15 (fifteen) minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty-two) days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once by resolution of Meeting that represents less than a Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment. Notice shall be published in accordance with Condition 13 (*Notices*) of the relevant Class of Notes not more than 8 (eight) days before the date of the meeting.

Article 12 (*Adjourned Meeting*)

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, *provided that* no Business shall be transacted at any adjourned Meeting except Business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13 (*Notice following adjournment*)

Article 8 shall apply to any Meeting which is to be resumed after adjournment save that:

a. 8 (eight) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

b. the notice shall specifically set forth the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

Article 14 (*Participation*)

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representatives and the Principal Paying Agent;

(c) the statutory auditors (if any) and the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to the Issuer, the Representative of the Noteholders and the Principal Paying Agent; and

(f) such other person as may be resolved by the Meeting.

Article 15 (*Show of hands*)

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded 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, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 16 *(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 ten (10) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other Business as the Chairman directs.

Article 17 *(Votes)*

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each Euro 1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 18 (*Vote by Proxies*)

Any vote by a Proxy in accordance with the relevant Voting Certificate shall be valid even if such Voting Certificate or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Issuer and the Principal Paying Agent or the Corporate Services Provider, as the case may be, has not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Voting Certificate in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment, except for any appointment of a Proxy expiring prior to such adjournment in accordance with the relevant Voting Certificate. Any person appointed to vote at such a Meeting must be re-appointed under a Proxy to vote at the Meeting when it is resumed.

Article 19 (*Exclusive Powers of the Meeting*)

The Meeting shall have exclusive powers:

(a) to approve any Basic Terms Modification, in accordance with Article 20 below;

(b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents.

Article 20 (*Powers exercisable by Extraordinary Resolution*)

A Meeting shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(a) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other Person whether such rights shall arise under these Rules, the Notes or otherwise;

(b) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes or any Class of the Notes for, or the conversion of the Notes or any Class into, or the cancellation of any of the Notes or any Class, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(c) power to assent to any alteration of the provisions contained in these Rules, the Notes or any Class of Notes, the Intercreditor Agreement, the Cash Administration and Agency Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(d) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes or any Class of Notes or any other Transaction Document;

(e) power to give any authority, direction or sanction which under the provisions of these Rules or the Notes or any Class of Notes, is required to be given by Extraordinary Resolution;

(f) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intercreditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;

(g) following the service of a Trigger Notice, or in any other circumstance upon request of the Issuer, power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s);

(h) power to sanction a Basic Terms Modification;

(i) power to authorize or direct the Representative of the Noteholders to serve a Trigger Notice under Condition 9 (*Trigger Events*);

(j) with respect to the Class A Notes, power to provide the Issuer with the prior consent provided for by Condition 6.2 (*Redemption for Taxation*);

(k) with respect to the Series M-2017 Notes, power to provide the Issuer with the prior consents provided for by Condition 6.4 (*Optional Redemption*);

(l) with respect to the Class B Notes, power to provide the Issuer with the prior consents provided for by Condition 6.4 (*Optional Redemption*);

(m) power to take any other decision to be passed by way of an Extraordinary Resolution in accordance with the Conditions;

provided that:

A. no Extraordinary Resolution involving a Basic Terms Modification passed by the Relevant Class Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of each of the other Classes (to the extent that the Notes of each such Class are then outstanding); and

B. no other Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) (i) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that the Class A Notes are then outstanding) or (ii) if the Class A Notes are not outstanding, the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class M Noteholders (to the extent that the Series M-2017 Notes are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that the Class A Notes are then outstanding) or (ii) if the Class A Notes are not outstanding, it is sanctioned by an Extraordinary Resolution of the Class M Noteholders (to the extent that the Series M-2017 Notes are then outstanding).

Article 21 (*Challenge of Resolution*)

Each Noteholder who was absent and (or) dissenting can challenge resolutions which are not passed

in conformity under the provisions of these Rules.

Article 22 *(Minutes)*

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Article 23 (*Written Resolution*)

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 24 (*Individual Actions and Remedies*)

The right of each Noteholder to bring individual actions or take other individual remedies, that do not amount to bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, to enforce his/her rights under the Notes will be subject to the Meeting not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the interests of the Noteholders. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders in writing of his/her intention;

(b) the Representative of the Noteholders will, without delay, call for the Meeting, in accordance with these Rules;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy *(provided that* the same matter can be submitted again to a further Meeting of Noteholders after a reasonable period of time has elapsed); and

(d) if the Meeting passes a resolution not objecting to the enforcement of the individual action or remedy, or if no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prevented from taking such action or remedy.

No individual action or remedy can be taken by a Noteholder to enforce his/her rights under the Notes before the Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

The provisions of the Intercreditor Agreement govern the right of the Noteholders to institute against, or join any other Person in instituting against, the Issuer any bankruptcy, insolvency or compulsory liquidation and similar proceedings.

TITLE III - THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 25 (*Appointment, Removal and Remuneration*)

The appointment of the Representative of the Noteholders takes place at the Meeting in accordance with the provisions of this Article 25, save as in respect of the appointment of the first Representative

of the Noteholders that will be Accounting Partners S.r.l.

Any successor of Accounting Partners S.r.l. as Representative of the Noteholders:

(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 through a branch situated in a European Union country; or

(2) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or

(3) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation *of* monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (1), (2) and (3) above and until such substitutive Representative of the Noteholders has entered into the Intercreditor Agreement, the Deed of Pledge and the other relevant Transaction Documents; should said acceptance of appointment by the substitute Representative of the Noteholders not occur within thirty days after such termination, the terminated Representative of the Noteholders shall be entitled to appoint its own successor, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The directors, auditors of the Issuer and those who fall within the conditions indicated in article 2382 of the Italian Civil Code in respect of the Issuer cannot be appointed Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

As consideration to the Representative of the Noteholders for the obligations undertaken by the same as from the date hereof under these Rules and the Transaction Documents, the Issuer shall pay to the Representative of the Noteholders an annual fee, such fee being agreed in a separate side letter, plus VAT if applicable. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Order of Priority up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

Article 26 (*Duties and Powers*)

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders' interests *vis-a-vis* the Issuer, in accordance with and following any resolution taken by the Meeting. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting to obtain instructions from the Relevant Class Noteholders on any action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25 herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

The Representative of the Noteholders shall in any case be responsible for any loss incurred by the Issuer as a consequence any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall act in accordance with the provisions of article 1176, second paragraph of the Italian Civil Code.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including in proceedings involving the Issuer, creditors' agreement *(concordato preventivo)*, forced liquidation *(fallimento)* or compulsory administrative liquidation *(liquidazione coatta amministrativa).*

Article 27 (*Resignation of the Representative of the Noteholders*)

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer and the Rating Agencies without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders and until such substitutive Representative of the Noteholders has entered into the Intercreditor Agreement, the Deed of Pledge and the other relevant Transaction Documents. If a new representative of the Noteholders is not appointed by the Meeting sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, *provided that* any such successor shall satisfy with the conditions of Article 25 herein.

Article 28 (*Exoneration of the Representative of the Noteholders*)

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

Without limiting the generality of the foregoing, the Representative of the Noteholders shall not be:

(i) under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event has occurred;

(ii) under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Transaction Documents of their obligations thereunder and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each party to any Transaction Document is observing and performing all the obligations on its part contained herein and therein;

(iii) under any obligation to give notice to any Person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(iv) responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto;

(v) responsible for or have any duty to make any investigation in respect of or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicers or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the purchase or administration of the Portfolios; and (v) any accounts, books, records or files maintained by the Issuer, the Servicers, the Principal Paying Agent, the Local Paying Agent, the Agent Bank and the Corporate Services Provider or any other Person in respect of the Portfolios;

(vi) 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;

(vii) responsible for the maintenance of any rating of the Class A Notes and the Series M-2017 Notes by the Rating Agencies or any other credit or rating agency or any other Person;

(viii) responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or any other Transaction Document;

(ix) bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Portfolios or any part thereof whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of remedy or not;

(x) 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;

(xi) under any obligation to insure the Portfolios or any part thereof;

(xii) obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for the Noteholders or any relevant Persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(xiii) under any obligation to disclose to any Noteholder, any Other Issuer Creditors or any other party 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 and the Noteholders, the Other Issuer Creditors or any other party shall not be entitled to take any action to obtain from the Representative of the Noteholders any such information

(unless and to the extent ordered so to do by a court of competent jurisdiction);

(xiv) bound to take any steps or institute any proceedings after a Trigger Notice is served upon the Issuer following the occurrence of a Trigger Event, or to take any other action (or direct any action to be taken) to enforce any security interest created by the Security Documents or any rights under the Intercreditor Agreement unless it has been indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;

(xv) liable for acting upon any resolution purporting to have been passed at any Meeting of the relevant Class or Classes of Notes in respect whereof minutes have been made and signed, also in the event that, subsequent to its acting it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders, in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, and

(xvi) liable for not having acted in any manner whatsoever for the protection of the Noteholders' interests in all circumstances where, according to these Rules and the Transaction Documents, it was not expressly required to take any such action.

The Representative of the Noteholders may:

(i) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter;

(ii) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of Basic Terms Modification) or to the other Transaction Documents which, in the opinion the Representative of the Noteholders, it may be proper to make, *provided that* (i) the Representative of the Noteholders is of the opinion that such modification will not be materially prejudicial to the interests of the Class A Noteholders, or, in the event the Class A Notes have been redeemed in full, the Class M Noteholders or, in the event the Series M-2017 Notes have been redeemed in full, the Class B Noteholders, and (ii) a prior written notice is given to the Rating Agencies;

(iii) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of Basic Terms Modification) or to the other Transaction Documents which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 3.10 (*Further Securitisation*) and which, in the opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes, as long as there are Class A Notes outstanding, and the fact that the execution of the relevant amendment or modification would not adversely affect the current ratings of the Class A Notes and the Series M-2017 Notes shall be conclusive evidence that the requested amendment is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes;

(iv) act on the advice or a certificate or opinion of or any 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 occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purported to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable notwithstanding any error contained therein or the non-authenticity of the same;

(v) call for and accept as sufficient evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by or on behalf of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;

(vi) have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, save as expressly otherwise provided herein, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or willful misconduct (*dolo*);

(vii) hold or leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute, and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

(viii) call for, accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period, any particular Person is, was, or will be, shown in its records as entitled to a particular number of Notes;

(ix) certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and if any proceedings referred to under Condition 9(1)(d) (*Insolvency*) are disputed in good faith, and any such certificate or opinion shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant Person and if the Representative of the Noteholders so certifies and serves a Trigger Notice pursuant to Condition 9 (*Trigger Events*), it shall, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on its part, be fully indemnified by the Issuer against all fees, costs, expenses, liabilities, losses and charges which it may incur as a result.

(x) determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant Person and the Representative of the Noteholders shall not be responsible for or required to insure against

any cost and loss incurred in connections with any such certificate;

(xi) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

The Representative of the Noteholders shall be entitled to:

(a) call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any other of the Other Issuer Creditors in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;

(b) for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether that such exercise would not be materially prejudicial to the interests of the Noteholders and the Other Issuer Creditors, take into account, among the other things, any confirmation (if given) from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;

(c) convene a Meeting of the Noteholders of the relevant Class or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

Any consent, approval or waiver 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 herein, or in other Transaction Document, such consent, approval or waiver may be given retroactively. Any consent, approval or waiver by the Representative of the Noteholders shall be, in any case, notified to the Rating Agencies.

No provision of these Rules and any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if the Representative of the Noteholders shall have reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability, which it may incur as a result of such action.

Article 29 (*Security Documents*)

The Representative of the Noteholders is entitled to exercise all rights granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors under the Deed of Pledge. The Security Trustee is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Other Issuer Creditors under the Deed of Charge.

The Representative of the Noteholders, acting on behalf of the Secured Parties, may:

(a) appoint and entrust the Issuer to collect, in the Secured Parties' interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;

(b) acknowledge that the account(s) to which payments have been made in respect of the pledged claims shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code and agrees that such account(s) shall be operated in compliance with the provisions of the Cash Administration and Agency Agreement and the Intercreditor Agreement;

(c) agree that all funds credited to the relevant Accounts from time to time shall be applied in accordance with the Cash Administration and Agency Agreement and the Intercreditor Agreement and that available funds standing to the credit of the Accounts (except the Quota Capital Account and the Payments Account) may be used for investments in Eligible Investments;

(d) agree that cash deriving from time to time from the pledged claims and the amounts standing to the credit of the relevant Accounts shall be applied in and towards satisfaction of amounts due to the Secured Parties according to the applicable Order of Priority.

The Secured Parties have irrevocably waived any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Documents except in accordance with the foregoing and the Intercreditor Agreement.

Article 30 (*Indemnity*)

It is hereby acknowledged that the Issuer has covenanted and undertaken under the relevant Notes Subscription Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or by any Persons appointed by it to whom any power, authority or discretion may be delegated by it, in relation to the preparation and execution of, the exercise, non exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or 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 the Transaction Documents, or against the Issuer or any other Person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud, negligence or wilful misconduct of the Representative of the Noteholders.

TITLE IV - THE ORGANISATION OF NOTEHOLDERS UPON A SERVICE OF A TRIGGER NOTICE

Article 31 *(Powers)*

It is hereby acknowledged that, upon service of a Trigger Notice, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam of* the Issuer, all and any of the Issuer's

Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Claims comprised in the Portfolios, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set forth in these Rules to resolve on the proposed sale.

In addition, it is hereby acknowledged that the Representative of the Noteholders, pursuant to the Intercreditor Agreement, (i) upon service of a Trigger Notice, shall be entitled to receive, in the name and on behalf of the Noteholders and the Other Issuer Creditors, any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors, and (ii) upon the security created under the Deed of Charge and the pledge created under the Deed of Pledge becoming enforceable in accordance with their terms, shall be entitled, *inter alia*, to collect, in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all cash deriving from time to time from the Deed of Charge and the Deed of Pledge as well as all proceeds from the enforcement thereof.

TITLE V - DISPUTES RESOLUTIONS

Article 32 (*Law and Jurisdiction*)

These Rules and all non-contractual obligations arising out or in connection with them are governed by, and will be construed in accordance with, the laws of Italy.

Any disputes arising out of or in connection with the present Rules, including those concerning its validity, interpretation, performance and termination, as well as all non contractual obligations arising out or in connection with the present Rules, shall be submitted to the exclusive jurisdiction of the courts of Milan, Italy.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

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 the Republic of 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 assigned debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*"), converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**") and Italian Law Decree no. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduced certain amendments to the Law 130 to the purpose of improving the Law 130 by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Law 130. In particular, the following main changes have been introduced by such laws in respect of the Law 130:

(1) the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;

(2) payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law;

(3) the assignment of receivables owed by public entities made under the Law 130 will now be subject only to the formalities contemplated by the Law 130 (i.e., the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply;

(4) where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor;

(5) if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

(6) securitisation companies established under the Law 130 are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;

(7) certain consequential changes are made to the Law 130 to reflect such new possibility;

(8) the segregation principle set out in the second paragraph of Article 3 of the Law 130 is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

RING-FENCING OF THE ASSETS

By operation of law in accordance with the terms of Article 3 of the Securitisation Law, the claims 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 claims (including any other portfolio purchased by such company pursuant to the Securitisation Law). Prior to and on a winding up of the issuer company, its assets will only be available to holders of the notes issued to finance the acquisition of the relevant claims 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.

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.

In addition to the above, it should be noted that, pursuant to the amendments recently introduced to the Law 130 by Law 9/2014 and Law 116/2014, it has been provided for that inter alia:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. 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 claims under the Securitisation Law is 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 assignor's creditors, the debtors in respect of the receivables and third party creditors by way of publication of the relevant notice in the Official Gazette of the Republic of Italy and registration in the competent companies' register where the Issuer is enrolled, 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 of the Republic of Italy and registration in the companies' register, the assignment becomes enforceable against:

(a) the assigned debtors and any creditors of the assignor who have not prior to the date of publication of the notice in the Official Gazette of the Republic of Italy and registration in the companies' register commenced enforcement proceedings in respect of the relevant receivables (including any insolvency receiver of the assignor if the insolvency of the assignor has been declared after the date of publication of the notice in the Official Gazette of the Republic of Italy and registration in the companies' register);

(b) the liquidator or other bankruptcy official of the assigned debtors (so that any payments made by such an assigned debtor to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Italian Bankruptcy Law); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the relevant notice in the Official Gazette of the Republic of Italy and registration in the competent companies' register.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables 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 of the Republic of Italy and registration in the competent companies' register, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the securitisation transaction.

The notice of transfer of each Initial Portfolio has been duly published in the Official Gazette of the Republic of Italy no. 69, Part II, of 13 June 2013, and registered in the companies' register of Milan on 13 June 2013.

The notice of transfer of each Subsequent Portfolio has been duly published in the Official Gazette of the Republic of Italy no. 16, Part II, of 7 February 2017.

Assignments executed under the Securitisation Law are subject to claw-back under Article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within 3 (three) months of the securitisation transaction or, in cases where paragraph 1 of Article 67 applies, within 6 (six) months of the securitisation transaction.

CLAW-BACK OF THE SALE OF THE PORTFOLIOS

The sale of the Portfolios by the Originators to the Issuer may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and the assignment was executed within three months of the admission of the relevant Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated

Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of article 67 applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreements, the Originator has represented and warranted that it was solvent as of the Transfer Date and on the Issue Date.

CLAW-BACK ACTION AGAINST THE PAYMENTS MADE TO COMPANIES INCORPORATED UNDER LAW 130

According to article 4 of the Securitisation Law, as recently amended by Law 9/2014 and Law 116/2014, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year "suspect period" (i.e. the period leading up to the bankruptcy or compulsory liquidation declaration) prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation ("*liquidazione coatta amministrativa*") may be subject to claw-back action according to Article 67 of the Bankruptcy Law. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS

Pursuant to article 65 of the Italian Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the Italian Bankruptcy Law) is declared bankrupt, any payment made by the Borrower during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy (including accordingly, any prepayments made under the relevant Loan Agreements) are ineffective vis-à-vis the Issuer. In this regard, it has to be noted that a case from the Italian Supreme Court (Corte di Cassazione, judgement No. 19978 of July 18th 2008) stated that article 65 of the Italian Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the Borrower by specific provisions of law.

The Securitisation Law as amended by Law 9/2014, provides that (i) the claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by the Debtors to the Issuer in respect of the securitised Receivables and (ii) the payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law. For further details with respect to the Law 9/2014, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

MUTUI FONDIARI

The Mortgage Loans include inter alia mortgage loans qualifying as "*mutui fondiari*". In addition to the general legislation commonly applicable to mortgage lending, mortgage loans which qualify as mutui fondiari are regulated by specific legislation which provides for a number of rights in favour of the mortgage lender that are not provided for by general legislation.

Agreements relating to mutui fondiari executed before 1 January 1994 are regulated by the Italian legislation on credito fondiario in force prior to that date, which permitted only credit institutions having special license to grant mutui fondiari. All other credit institutions were not permitted to conduct mortgage lending business. As of 1 January 1994, under the new legislative framework under the Consolidated Banking Act, all banks having a general banking license became qualified to enter into mutui fondiari agreements. The new legislation applies only to mutui fondiari agreements executed, and foreclosure proceedings commenced, on or after 1 January 1994.

With respect to the legislative framework under the Consolidated Banking Act, certain provisions under the mutuo fondiario's legislation entitle the lender to commence or continue foreclosure proceedings also after the declaration of insolvency (fallimento) of the affected debtor, to receive repayment from the price paid for a mortgaged property at auction up to the price corresponding to the mutui fondiari debt directly from the purchaser (without having to await disbursement by the court) and to an assignment of any rentals earned by the mortgaged property, net of administration expenses and taxes.

With respect to the borrowers, such mutuo fondiario's legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the Mortgage Loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a Mortgage Loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be sufficient to ensure a loan to value of at least 120% (or, according to an interpretation, the original loan to value, if higher).

RECOVERY PROCEEDINGS

ORDINARY ENFORCEMENT PROCEEDINGS

Mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

A mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of an enforcement order (*titolo esecutivo*) from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (*titolo esecutivo*) from the court. A writ of execution (*atto di precetto*) is notified to the debtor together with either the enforcement order (*titolo esecutivo*) or the loan agreement, as the case may be.

Within 10 (ten) days of filing, but not later than 90 (ninety) days from the date on which notice of the writ of execution (*atto di precetto*) is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been notified in advance to the mortgage lender. Not earlier than 10 (ten) days and not later than 90 (ninety) days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and land registry certificates (*certificate catastali*), which usually take some time to obtain. Law no. 302 of 3 August 1998 should reduce the duration of the enforcement proceedings by allowing the mortgage lender to substitute such land registry certificates (*certificate catastali*) with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction. The court determines on the basis of the expert's appraisal the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offers are made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the foreclosure proceedings).

Pursuant to Article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the foreclosure proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate (currently one per cent) until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the foreclosure proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of foreclosure proceedings, from the court order or injunction of payment to the final sharing out, is between 6 (six) and 8 (eight) years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

Italian Law No. 302 of 3 August 1998, Italian Law No. 80 of 15 May 2005, Italian Law No. 263 of 28 December 2005 and the Italian Code of Civil Procedure as amended thereby have introduced certain rules according to which some of the activities to be carried on in a foreclosure procedure may be entrusted to a notary public, lawyers or chartered accountants duly registered with the relevant register as kept and updated from time to time by the chairman of the competent court (Presidente del Tribunale).

In particular, if requested by a creditor, the notary public may issue a notarial certificate attesting the results of the searches with the "*catasto*" and with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). Such notarial certificate replaces several documents that are usually required to be attached to the motion for the auction and reduces the timing normally required to obtain the documentation from the relevant public offices. Moreover, if appointed by the foreclosure judge, the notary public may execute the sale by auction by: (a) determining the value of the property; (b) deciding on the offers received after the auction and concerning the payment of the relevant price; (c) initiating further auctions or transfer; (d) executing certain formal documents relating to the registration and filing with the land registry of the transfer decree prepared by the same notary public and issued by the foreclosure judge; and (e) preparing the proceeds' distribution plan and forwarding the same to the foreclosure judge.

With regard to the above, the involvement of a notary public by the foreclosure judge is permitted when: (a) the foreclosure judge has not yet decided on the motion for an auction; (b) a sale without auction has not been performed successfully and the foreclosure judge after consultation with the creditors decides to proceed with an auction; and (c) a possible receivership has ceased and the foreclosure judge decides to proceed with a sale by auction. On the other hand, the involvement of a notary public does not seem to be possible both when a decree providing for the sale without auction has already been issued and when an auction before the foreclosure judge has already been fixed. If the auction is concluded without a sale, it is possible that the foreclosure judge may delegate the power to execute further auctions to the notary public..

***MUTUI FONDIARI* ENFORCEMENT PROCEEDINGS**

The Mortgage Loans include inter alia mortgage loans qualifying as "mutui .fondiari". Enforcement proceedings in respect of "mutui .fondiari" commenced after 1 January 1994 are currently regulated by article 38 et seq. of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the "fondiario" lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the "mutui fondiari" lender's debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a mutuo fondiario loan.

Enforcement proceedings for mutui fondiari commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the mutuo fondiario lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on mutui fondiari commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the mutuo fondiario provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the mutuo fondiario agreement without having to have a further expert appraisal.

INSOLVENCY PROCEEDINGS

A company or individual qualifying as commercial entrepreneur ("*imprenditore che esercita un'attività commerciale*") qualifying under Article 1 of the Bankruptcy Law may be subject to insolvency proceedings ("*procedure concorsuali*"). Insolvency proceedings ("*procedure concorsuali*") under Bankruptcy Law may take the form of, inter alia, bankruptcy ("*fallimento*") or a composition with creditors ("*concordato preventivo*").

Bankruptcy proceedings are applicable to commercial entrepreneurs (companies or individuals) that are in state of insolvency ("*stato di insolvenza*") pursuant to Article 5 of the Bankruptcy Law. A debtor can be declared bankrupt ("*fallito*") (either by its own initiative or upon the initiative of any of its creditors) if it is not able to timely and duly fulfil its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver ("*curatore fallimentare*").

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver ("*curatore fallimentare*", and the creditors' claims have been approved, the sale of the borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur that is in a crisis situation (stato di crisi) may propose, pursuant to Articles 160 and following of the Bankruptcy Law, as recently amended, to its creditors a creditors composition ("*concordato preventivo*"). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, inter alia, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible. Generally, the proposed composition plan must ensure the payment of at least 20% of the unsecured receivables.

A proposal for a composition plan is approved if it receives the favourable vote of creditors representing the majority of the claims admitted to vote; in case of classes of creditors, such majority shall be verified also in respect of the majority of the classes. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

Pursuant to the Italian Law 27 January 2012, No. 3 (*Disposizioni in materia di usura e di estorsione, nonchè di composizione delle crisi da sovraindebitamento*), a debtor who is not eligible to be adjudicated bankrupt under the Bankruptcy Law is entitled to file to the competent court a restructuring plan, to be approved by its creditors representing at least 60% of the outstanding debts, in order to request, among others, up to a one-year suspension of the payments of the outstanding debts and a rescheduling of any other payments.

PRIORITY OF INTEREST CLAIMS

Pursuant to article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently 0.2%) from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the

distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

ARTICLE 120 TER OF THE CONSOLIDATED BANKING ACT

Article 120-ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional and business activity.

The Italian banking association ("ABI") and the main national consumer associations have reached an agreement (the "Prepayment Penalty Agreement") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "Substitutive Prepayment Penalty") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "Clausola di Salvaguardia") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001 the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

ARTICLE 120 QUATER OF THE CONSOLIDATED BANKING ACT

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to Article 1202 of the Italian civil code (surrogato per volontà del debitore) in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (atto di surrogazione) to be made in the form of a public deed (atto pubblico) or of a deed certified by a notary public with respect to the signature (scrittura privata autenticata) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within 30 (thirty) business days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

CANCELLATION OF MORTGAGES

Art. 40-bis of the Consolidated Banking Act and Law decree No. 7 of 31 January 2007 (the "**Bersani Decree**") as converted into law by Law No. 40 of 2 April 2007, as applicable, set out certain provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

RECENT AMENDMENT TO ENFORCEMENT AND BANKRUPTCY PROCEEDINGS

On June 30, 2016, the Italian Parliament approved Law no. 119 ("**Conversion Law**"), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on May 3, 2016 introducing "urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up" ("**Law Decree**"). The Conversion Law has been published on the Official Gazette no. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorization of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian Code of Civil Procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;

- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

- to optimize the overall functioning of the judicial offices with a progressive implementation

of their computerization - especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;

- to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;

- to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;

- to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

CONVENTION BETWEEN THE MINISTRY OF ECONOMY AND FINANCE, THE ITALIAN BANKING ASSOCIATION AND ASSOCIATIONS OF THE REPRESENTATIVE OF THE COMPANIES

On the 3rd of August 2009, the Ministry of Economy and Finance, the ABI (Associazione Bancaria Italiana) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies struck by the financial crisis (the "**PMI Convention**").

The Convention provides, inter alia, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on the 30th of September 2008 were solvent (in bonis), and (ii) at the moment of the submission of the request, had no financings classified as "restructured" (*ristrutturato*) or as "non-performing" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted within the 30th of June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies has extended the date within which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended. ABI has clarified on one hand that securitised claims have not been expressly excluded from the object of the Convention and that assigning banks have to do any reasonable effort to satisfy the requests for Suspension also in respect of the securitized claims.

On 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, inter alia: (i) a 12-month suspension of

payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

On 1 July 2013, ABI and the associations of the representative of the companies signed a new further convention (the "**July 2013 PMI Convention**"). The July 2013 PMI Convention provides for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the suspension under the New PMI Convention. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the option for small and middle-sized companies that have not already requested a suspension under the New PMI Convention to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of three years for unsecured loans and of four years for mortgage loans. Any requests under item (i) and (ii) above to be submitted by 30 June 2014. However, in respect of loans that still benefit from the above suspension at 30 June 2014, the requests for the extension of the duration of such loans may be submitted within 31 December 2014.

Pending the implementation of the above measures of the July 2013 PMI Convention, the date within which the request for the Suspension pursuant to the New PMI Convention could be submitted has been further extended to 30 September 2013.On 8 August 2013 further clarifications with respect to the implementation of the July 2013 PMI Convention have been issued by the ABI. In particular, ABI (Associazione Bancaria Italiana) has clarified that the securitised claims are not expressly excluded from the object of the July 2013 PMI Convention. The assigning banks shall autonomously evaluate the possibility to grant the suspension or the extension under the July 2013 PMI Convention in respect of securitised claims. In any case ABI (Associazione Bancaria Italiana) has further clarified that in case a suspension or extension under the July 2013 PMI Convention is granted by the assigning bank, such suspension or extension shall not result in additional expenses in relation to such bank (also considering the costs that the assigning bank would have incurred in case the suspension or extension had been granted with respect to the original loan). On 30 December 2014, ABI and the associations of the representative of the companies agreed to extend the validity period of the 2013 PMI Convention from 1 July 2013 until 30 March 2015 and to enter into a new convention by the same date. On 31 March 2015, ABI and the associations of the representative of the companies entered into a new convention (the "**2015 PMI Convention**"). The 2015 PMI Convention comprises three different programs:

"*Imprese in Ripresa*" program which regards the extensions and the suspension of the loan agreement given to small and medium enterprises;

"*Imprese di Sviluppo*" program which regards the financing of new projects carried out by the small and medium enterprises; and

"*Imprese e PA*" program which regard the disinvestment of claims to be paid by the Public Administration to the small and medium enterprises

"*Imprese in Ripresa*" program allows the small and middle-sized companies to require, *inter alia*: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long-term loans; and (ii) the extension of the final maturity of the loan agreements. In general, the loans which

may benefit of the provisions of the 2015 PMI Convention are the loans which (a) were outstanding as at the date of the entering to of the 2015 PMI Convention; and (b) did not benefit from the suspension or extension of the duration in the 24-months period prior to the date of the request of suspension or extension, except for the easing of terms generally applying by operation of law.

In particular:

the suspension under the 2015 PMI Convention applies on the condition that the instalments: (A) are timely paid; or (B) in case of late (or partial) payments, the relevant instalment has not been outstanding for more than 90 days from the date of the relevant request; and

the extension under the 2015 PMI Convention applies on the condition that such extension could not exceed three years for unsecured loans and four years for mortgage loans.

As further condition, in order to benefit either from the suspension or the extension of duration, middle-sized companies shall have, as at the date of the request, no positions which could be classified as unlikely to pay ("*inadempienze probabili*") and restructured ("ristrutturate"). The 2015 PMI Convention will expire on 31 December 2017, without prejudice to the rights of the parties to withdraw by 31 December of each year.

The Originators have acceded to the 2015 PMI Convention.

TAXATION IN THE REPUBLIC OF ITALY

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 Series A-2017 Notes and the Series M-2017 Notes. *It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following description does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.*

This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of Law 130, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Law 239**") and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014 ("**Decree 66/2014**"), payments of interest and other proceeds in respect of the Series A-2017 Notes and the Series M-2017 Notes:

(i) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Series A-2017 Notes and the Series M-2017 Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The imposta sostitutiva will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Series A-2017 Notes and the Series M-2017 Notes or in the transfer of the Series A-2017 Notes and the Series M-2017 Notes;

(ii) will be subject to *imposta sostitutiva* at the rate of 26 per cent in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Series A-2017 Notes and the Series M-2017 Notes are connected;

(iii) will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of February 24, 1998 and article 14-bis of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Series A-2017 Notes and the Series M-2017 Notes, to an Italian authorised financial intermediary and have opted for the so-called risparmio gestito regime according to Article 7 of Legislative Decree No. 461 of 21 November 1997 - the "Asset Management Option" and (iv), non Italian resident with no permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected, provided that:

(a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996 (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and

(b) the Series A-2017 Notes and the Series M-2017 Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("**SIM**") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and

(c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

(d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Series A-2017 Notes and the Series M-2017 Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Series A-2017 Notes and the Series M-2017 Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Series A-2017 Notes and the Series M-2017 Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to an annual substitute tax levied at the rate of 26 per cent (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 interest and other proceeds accrued on the Series A-2017 Notes and the Series M-2017 Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Series A-2017 Notes and the Series M-2017 Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Series A-2017 Notes and the Series M-2017 Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "**IRES**"); or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "**IRPEF**") plus local surtaxes, if applicable; or (iii) entrepreneurial income tax (*imposta sul reddito di impresa*, "**IRI**"); under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "**IRAP**").

Where the holder of the Series A-2017 Notes and the Series M-2017 Notes is an Italian resident investment fund subject to the tax regime provided by Law No. 77 of 23 March 1983 ("**Fund**"), interest payments relating to the Series A-2017 Notes and the Series M-2017 Notes are not subject to *imposta sostitutiva*. but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Italian resident pension funds are subject to a 20 per cent annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal redeemable amount of the Series A-2017 Notes and the Series M-2017 Notes and their issue price is deemed to be interest for capital income (redditi di capitale) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

2. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Series A-2017 Notes and the Series M-2017 Notes would be treated for the purpose of corporate income tax, of individual income tax and of entrepreneurial income tax as part of the taxable business income of Series A-2017 Notes and the Series M-2017 Notes Noteholders (and, in certain cases, depending on the status of the Series A-2017 Notes and the Series M-2017 Notes Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Series A-2017 Notes and the Series M-2017 Notes Noteholders who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Series A-2017 Notes and the Series M-2017 Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Series A-2017 Notes and the Series M-2017 Notes would be subject to an *imposta sostitutiva* at the rate of 26 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 an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Series A-2017 Notes and the Series M-2017 Notes not in connection with an entrepreneurial activity pursuant to all disposals on Series A-2017 Notes and the Series M-2017 Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority 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 realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Series A-2017 Notes and the Series M-2017 Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Series A-2017 Notes and the Series M-2017 Notes (the "***Risparmio Amministrato***" regime). Such separate taxation of capital gains is permitted subject to: (i) the Series A-2017 Notes and the Series M-2017 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. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Series A-2017 Notes and the Series M-2017 Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the Risparmio Amministrato regime, where a sale or redemption of Series A-2017 Notes and the Series M-2017 Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised 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 report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding Series A-2017 Notes and the Series M-2017 Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the calculation of the annual increase in net 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 an increase in the net 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 realised by a Series A-2017 Notes and the Series M-2017 Notes Noteholder which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by Series A-2017 Notes and the Series M-2017 Notes Noteholders who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax.

The 26 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Series A-2017 Notes and the Series M-2017 Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected, if the Series A-2017 Notes and the Series M-2017 Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected, through the sale for consideration or redemption of Series A-2017 Notes and the Series M-2017 Notes are exempt from taxation in Italy to the extent that the Series A-2017 Notes and the Series M-2017 Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Series A-2017 Notes and the Series M-2017 Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (autodichiarazione) stating that the investor is not resident in Italy for tax purposes.

In case the Series A-2017 Notes and the Series M-2017 Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Series A-2017 Notes and the Series M-2017 Notes with no permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Series A-2017 Notes and the Series M-2017 Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996 (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (autocertificazione) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively

connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Series A-2017 Notes and the Series M-2017 Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Series A-2017 Notes and the Series M-2017 Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Series A-2017 Notes and the Series M-2017 Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, inter alia, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE

With Legislative Decree 5 August 2015, no. 128, the Italian Government introduced a new definition of "abuse of law or tax avoidance" ("*abuso del diritto o elusione fiscale*") that replaces all definitions and doctrines previously developed by the Italian tax authorities and endorsed by case law. Under the new definition, abuse of law occurs when one or more transactions, formally compliant with tax law, instead are lacking economic substance and are essentially aimed at obtaining undue tax advantages. There is no abuse of law when a transaction is justified by sound and material non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

4. INHERITANCE AND GIFT TAXES

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

5. TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the beneficial owners ("*titolari effettivi*") of such investments or financial activities.

6. STAMP DUTY

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("Stamp Duty Law"), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013 introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clients as of 1 January 2012 ("Statement Duty"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent (but in any case not exceeding € 14.000,00. This cap is not applied to individuals). According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as "financial instruments". The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The stamp duty must be levied on:

(i) whoever executes or takes advantage (in Italian known as the "*caso d'uso*") of the document included in the Tariff, as the main obligors (*obbligati in via principale*);

(ii) whoever signs, receives, accepts or negotiates the document included in the Tariff, if the stamp duty has not already been properly paid, as the joint obligors (*obbligati in via solidale*).

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an "*ente gestore*" (managing entity). Such "*ente gestore*", according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer seems not to fall within the list of the obligors, as set forth in the Stamp Duty Law, neither in the definition of "*ente gestore*". However, the lack of an interpretation by the Italian tax authority with respect to securitization transactions and the broad scope of the Statement Duty could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.

SUBSCRIPTION AND SALE

Pursuant to the Subsequent Subscription Agreement to be entered into on or before the Subsequent Issue Date between the Issuer, the Subscribers, the Representative of the Noteholders and the Co-Arrangers, (i) Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento shall subscribe and pay the Issuer for the Series A-2017 Notes; (ii) Banca CR Savigliano, Banca MCFVG, Banca Alpi Marittime and CR Cento shall subscribe and pay the Issuer for the Series M-2017 Notes; and (iii) Banca CR Savigliano shall subscribe and pay for the Series B1-2017 Notes, Banca MCFVG shall subscribe and pay for the Series B2-2017 Notes, and Banca Alpi Marittime shall subscribe and pay for the Series B3-2017 Notes and CR Cento shall subscribe and pay for the Series B4-2017 Notes. Furthermore, each of the Originators shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Subsequent Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the issue price to the Issuer.

UNITED STATES OF AMERICA

The Series 2 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Series 2 Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

REPUBLIC OF ITALY

Each of the Issuer and the Originators, under the Subsequent Subscription Agreement, has acknowledged that no action has or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Series 2 Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Series 2 Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Each of the Issuer and the Originators, under the Subsequent Subscription Agreement, has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Series 2 Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Originators, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Series 2 Notes, this Prospectus nor any other offering material relating to the Series 2 Notes other than to qualified investors ("*investitori qualificati*"), as defined on the basis of the Directive 2003/71/EC (Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading) as amended by 2010 PD Amending Directive (as defined below), pursuant to article 100, paragraph 1, letter (a), of Italian legislative decree No. 58 of 24 February 1998 (the "**Consolidated Financial Act**") or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act or by article 34-*ter* of CONSOB regulation No. 11971/1999, and in accordance with applicable Italian laws and regulations. In any case the Series B-2017 Notes may not be offered to individuals or entities not being qualified investors in

accordance with the Securitisation Law. Additionally the Series B-2017 Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB regulation No. 16190 of 29 October 2007.

Any offer of the Series 2 Notes of the relevant Class or Classes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Series 2 Notes in the Republic of Italy, article 100-*bis* of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

FRANCE

This Prospectus has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Series 2 Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

It has also been represented and agreed in connection with the initial distribution of the Series 2 Notes that:

(a) there has been and there will be no offer or sale, directly or indirectly, of the Series 2 Notes to the public in the Republic of France (*an appel public à l'épargne* as defined in article L. 411-1 of the French Code monétaire et financier);

(b) offers and sales of Series 2 Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in articles L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2 of the *Code monétaire et financier* (together the "**Investors**").

Offers and sales of the Series 2 Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Series 2 Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

UNITED KINGDOM

It has been represented and agreed under the Subsequent Subscription Agreement, that:

(i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**"))

received by it in connection with the issue or sale of such Series 2 Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Series 2 Notes in, from or otherwise involving the United Kingdom.

REGULATORY CAPITAL REQUIREMENTS

Each Originator has undertaken to the Issuer and the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) for the benefit of each subsequent financial institution investing in one or more Series 2 Notes, that it will (i) retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the Relevant Portfolio which has been transferred by it to the Issuer) in accordance with option (1)(c) of article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of article 254 of the Solvency II Regulation (or any permitted alternative method thereafter); (ii) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Transaction in accordance with the option (1)(c) of article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of article 254 of the Solvency II Regulation and give relevant information to the Noteholders and prospective investors in this respect on a quarterly basis through the Investors' Report; (iii) ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under articles from 405 to 410 of the CRR, chapter 3, section 5 of the AIFM Regulation and title I, chapter VIII of the Solvency II Regulation; and (iv) notify to the Noteholders any change to the manner in which the material net economic interest set out above is held.

As at the Subsequent Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche (comprising the Series B-2017 Notes) as required by article 405 of the CRR, option (1)(c) of article 51 of the AIFM Level 2 Regulation and option (2)(c) of article 254 of the Solvency II Regulation (or any permitted alternative method thereafter). Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

GENERAL RESTRICTIONS

The Issuer and the Noteholders (including the Originators as initial holders of the Series 2 Notes) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Series 2 Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver of any Series 2 Notes or distribution or publication of any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Series 2 Notes in any country where action would be required for such purpose.

EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), there has not been and there will not be an offer of the Series 2 Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 (the "**2010 PD Amending Directive**"), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any Series 2 Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Series 2 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Series 2 Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

GENERAL INFORMATION

AUTHORISATION

Since the date of its incorporation, the Issuer has not entered into any agreement or effected any transaction other than those related to the purchase of the Claims. The execution by the Issuer of the new Transaction Documents and the issue of the Series 2 Notes were authorised by a quotaholders' resolutions of the Issuer which took place on 11 January 2017. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Series 2 Notes.

FUNDS AVAILABLE TO THE ISSUER

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Series 1 Notes and the Series 2 Notes will be collections made in respect of the Claims thereunder.

LISTING

Application has been made to list the Series A-2017 Notes and the Series M-2017 Notes on the Irish Stock Exchange plc.

CLEARING SYSTEMS

The Series A-2017 Notes and the Series M-2017 Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli will act as depository for Euroclear and Clearstream, Luxembourg. The ISIN for the Series 2 Notes and the Common Code for Series A-2017 Notes and the Series M-2017 Notes are as follows:

	Common Code	**ISIN Code**
Series A-2017 Notes	156496901	IT0005241895
Series M-2017 Notes	156506486	IT0005241911
Series B1-2017 Notes		IT0005241929
Series B2-2017 Notes		IT0005241937
Series B3-2017 Notes		IT0005241945
Series B4-2017 Notes		IT0005241960

NO SIGNIFICANT CHANGE

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position, trading and prospects of the Issuer since 31 December 2015.

LITIGATION

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have

had, since the date of its incorporation, a significant effect on the financial position or profitability of the Issuer.

ACCOUNTS

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required by applicable law or regulation) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December, the next such accounts to be prepared being those in respect of the financial year ending on 31 December 2016) but will not produce interim financial statements.

POST ISSUANCE REPORTING

Under the terms of the Cash Administration and Agency Agreement, the Computation Agent has undertaken to prepare not later than each Investors Report Date, the Investors Report related to the immediately preceding Payment Date, based on the data contained in the Quarterly Servicing Report and setting forth the performance of the Portfolios and information, and amounts paid, payable and/or unpaid on the Notes in respect to the immediately preceding Payment Date. Each Investors Report will be made available for collection at the registered office of the Issuer and the Representative of the Noteholders (as set forth in Condition 13 (*Notices*)) and on a quarterly basis via the Computation Agent's internet website currently located at www.accountingpartners.it (for the avoidance of doubt, such website does not constitute part of this Prospectus) and will be distributed by the Issuer on a quarterly basis to Bloomberg.

BORROWINGS

Save as disclosed in this Prospectus, after the issue of the Series 2 Notes, the Issuer will have no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor will the Issuer create any mortgages or charges or given any guarantees.

DOCUMENTS

Copies of the following documents in electronic form may be inspected during usual office hours on any weekday at the registered office of the Issuer, the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent, at any time after the Issue Date and so long as any of the Notes remain listed on the Irish Stock Exchange plc:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the annual audited (to the extent required by applicable law or regulation) financial statement of the Issuer. No interim financial statements will be produced by the Issuer;

(c) the Servicers' Report, which has a quarterly frequency, setting forth the performance of the Claims and the Collections made in respect of the Claims prepared by the Servicers;

(d) the Investors Report, which has a quarterly frequency, setting forth the performance of the Portfolio and amounts paid, payable and/or unpaid on the Notes in respect to each Payment Date prepared by the Computation Agent;

(e) copies of the following documents:

  (i) the Notes Subscription Agreements;

  (ii) the Intercreditor Agreement;

(iii) the Cash Administration and Agency Agreement;

(iv) the Corporate Services Agreement;

(v) the Agreement between the Issuer and the Quotaholder;

(vi) the Transfer Agreements;

(vii) the Servicing Agreement;

(viii) the Warranty and Indemnity Agreements;

(ix) the Deed of Charge;

(x) the Deed of Pledge;

(xi) the Back-Up Servicing Agreement;

(xii) the Stichting Corporate Services Agreement; and

(xiii) this Offering Circular.

INFORMATION AVAILABLE IN THE INTERNET

The websites referred to in this Prospectus and the information contained in such web-sites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

ANNUAL FEES

The proceeds arising out of the Series 2 Notes amount to Euro 770,525,000.00. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 175,000.00 plus VAT per annum. The upfront expenses for admission to trading of the Series A-2017 Notes and the Series M-2017 Notes will amount to Euro 10,000.00 plus VAT.

HOME MEMBER STATE FOR THE PURPOSE OF THE TRANSPARENCY DIRECTIVE

The Issuer has elected Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited financial statements of the Issuer for the financial years ended on 31 December 2014 and 31 December 2015, respectively, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank of Ireland. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent.

Copies of documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Irish Stock Exchange at the following link: http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_69680013-daa3-4656-bde6-d6f09fda66ad.pdf

The table below sets out the relevant page references for the financial statements of the Issuer for the financial years ended 31 December 2014 and 31 December 2015, respectively, together in each case with the audit report thereon. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Prospectus.

Documents	**Information contained**	**Page**
Financial statements as at 31 December 2014	Report of the auditors on the financial statements of the Issuer as at 31 December 2014	47
	Report on operations	4
	Financial Statements	11
Auditors' report	Responsibility statement	47

Documents	**Information contained**	**Page**
Financial statements as at 31 December 2015	Report of the auditors on the financial statements of the Issuer as at 31 December 2015	95
	Report on operations	52
	Financial Statements	59
Auditors' report	Responsibility statement	95

The ISSUER
Alchera SPV S.r.l.
Via Statuto, 10
20121 Milano
Italy

ORIGINATORS, SERVICERS and BACK-UP SERVICERS

BANCA CASSA DI RISPARMIO DI SAVIGLIANO S.P.A. Piazza del Popolo, 15 12038 Savigliano (CN) Italy	**BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.** Via Aquileia, 1 33100 Udine Italy	**BANCA ALPI MARITTIME CREDITO COOPERATIVO CARRÙ SOCIETÀ COOPERATIVA PER AZIONI** Via Stazione, 10 12061 Carrù (CN) Italy	**CASSA DI RISPARMIO DI CENTO S.P.A.** Via Matteotti 8b 44042 Cento (FE) Italia

PRINCIPAL PAYING AGENT, AGENT BANK, ENGLISH ACCOUNT BANK AND CASH MANAGER

CITIBANK N.A., LONDON BRANCH
Citygroup Centre,
Canada Square, Canary Wharf
London, E14 5LB
United Kingdom

LOCAL PAYING AGENT and ITALIAN ACCOUNT BANK **CITIBANK N.A., MILAN BRANCH** Via dei Mercanti 12, 20121 Milano Italy		**BACK-UP SERVICER FACILITATOR** **ACCOUNTING PARTNERS S.R.L.** Via Statuto, 10 20121 Milano Italy

REPRESENTATIVE OF THE NOTEHOLDERS, SECURITY TRUSTEE, CORPORATE SERVICE PROVIDER and COMPUTATION AGENT

ACCOUNTING PARTNERS S.R.L.
Via Statuto, 10
20121 Milano
Italy

STICHTING CORPORATE SERVICES PROVIDER **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** 3rd Floor - 1 King's Arms Yard London EC2R 7AF United Kingdom		**IRISH LISTING AGENT** **MATHESON** 70 Sir John Rogerson's Quay Dublin 2, Ireland

CO-ARRANGERS

A&F S.R.L. Via Statuto, 10 20121 Milan Italy	**STORM HARBOUR** 10 Old Burlington Street London W1S 3AG United Kingdom

LEGAL ADVISERS

TO THE ISSUER AND THE ARRANGER AS TO ITALIAN LAW **ORRICK, HERRINGTON & SUTCLIFFE** Piazza della Croce Rossa, 2 00161 Roma Italy		**TO THE ISSUER AND THE ARRANGER AS TO ENGLISH LAW** **ORRICK, HERRINGTON & SUTCLIFFE** 107 Cheapside London, EC2V 6DN DX: 557 London/City United Kingdom