

OFFERING CIRCULAR

PONTORMO SME S.R.L.

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

Euro 87,800,000 Class A1 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>
Euro 80,300,000 Class A2 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>
Euro 72,300,000 Class A3 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>
Euro 53,225,000 Class B1 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>
Euro 48,729,000 Class B2 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>
Euro 43,750,000 Class B3 Asset Backed Floating Rate Notes due November 2079
<i>Issue Price: 100%</i>

This prospectus (the “**Prospectus**” or the “**Offering Circular**”) contains information relating to the issue by Pontormo SME S.r.l., a limited liability company organised under the laws of the Republic of Italy (the “**Issuer**”) of the Euro 87,800,000 Class A1 Asset Backed Floating Rate Notes due November 2079 (the “**Class A1 Notes**”), the Euro 80,300,000 Class A2 Asset Backed Floating Rate Notes due November 2079 (the “**Class A2 Notes**”), the Euro 72,300,000 Class A3 Asset Backed Floating Rate Notes due November 2079 (the “**Class A3 Notes**”) and together with the Class A1 Notes and the Class A2 Notes, the “**Class A Notes**” or the “**Rated Notes**”). In connection with the issuance of the Rated Notes, the Issuer will issue three series of junior notes as follows: the Euro 53,225,000 Class B1 Asset Backed Floating Rate Notes due November 2079 (the “**Class B1 Notes**”); the Euro 48,729,000 Class B2 Asset Backed Floating Rate Notes due November 2079 (the “**Class B2 Notes**”); the Euro 43,750,000 Class B3 Asset Backed Floating Rate Notes due November 2079 (the “**Class B3 Notes**”) and together with the Class B1 Notes and the Class B2 Notes, the “**Class B Notes**”). The Class A Notes and the Class B Notes, together the “**Notes**”. The Class B Notes are not being offered pursuant to this Offering Circular.

This Offering Circular is issued pursuant to article 2, paragraph 3, of Italian Law No. 130 of 30 April 1999 (the “**Law 130**” or also the “**Securitisation Law**”) in connection with the issuance of the Notes. This Offering Circular is a prospectus with regard to Directive 2003/71/EC (the “**Prospectus Directive**”) of the European Parliament and of the Council of 4 November 2003 and relevant implementing measures in Ireland.

The Offering Circular has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Rated Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange 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 Class B Notes on any stock exchange.

The net proceeds of the offering of the Notes will be mainly applied by the Issuer to fund the purchase of three portfolios of monetary claims (the “**Portfolios**” and the “**Claims**”, respectively) arising under mortgage loans and unsecured loans owned by Banca di Credito Cooperativo di Fornacette S.c.p.a. (“**BCC Fornacette**”), Banca Popolare di Lajatico S.c.p.a. (“**BP Lajatico**”) and Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a. (“**BCC Castagneto**”) and together with BCC Fornacette and BP Lajatico, the “**Originators**”). The Portfolios have been purchased by the Issuer under the terms of three transfer agreements between the Issuer and each Originator pursuant to Law 130 executed on 18 February 2013 (each a “**Transfer Agreement**” and collectively the “**Transfer Agreements**”). The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made from or in respect of the Portfolios.

Calculations as to the expected average life of the Rated Notes can be made based on certain assumptions as set out in the section “**Estimated Weighted Average Life of the Rated Notes**”, including, but not limited to, the level of the prepayment of the Claims. However, there is no certainty neither that the assumptions made will materialize nor that the Rated 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 Rated Notes could be reduced as a result of losses incurred in respect of the Portfolios.

If the Notes cannot be redeemed in full on the 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 Offering Circular.

If any amounts remain outstanding in respect of the Notes upon expiry of the 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 Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Portfolios.

The Notes will be subject to mandatory pro-rata redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with the Conditions, the Notes will be redeemed on the Payment Date falling on November 2079 (the “**Final Maturity Date**”). The Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Final Maturity Date, the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.2 (Redemption for Taxation) and Condition 6.4 (Optional Redemption).

Interest on the Notes will accrue from 15 March 2013 (the “**Issue Date**”) and will be payable on 7th May 2013 (the “**First Payment Date**”) and thereafter quarterly in arrears on the 5th 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 London and Milan and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2)(or any successor thereto) is open (a “**Business Day**”) the following Business Day (each a “**Payment Date**”). The Class A1 Notes and the Class B1 Notes, shall bear interest at an annual rate equal to the Euro-Zone Inter-bank offered rate for three month deposits in Euro (the “**Three Month EURIBOR**”) plus a margin of 0.50% per annum with respect to the Class A1 Notes; a margin of 0.60% per annum with respect to the Class B1 Notes.

The Class A2 Notes, the Class B2 Notes, the Class A3 Notes and the Class B3 Notes, shall bear interest at an annual rate equal to the Euro-Zone Inter-bank offered rate for six month deposits in Euro (the “**Six Month EURIBOR**”) plus a margin of 0.50% per annum with respect to the Class A2 Notes; a margin of 0.60% per annum with respect to the Class B2 Notes; a margin of 0.50% per annum with respect to the Class A3 Notes; a margin of 0.60% per annum with respect to the Class B3 Notes.

All payments of principal and interest on the 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 by Italian Law No. 409 of 23 November 2001 and as subsequently 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 Notes, payments of interest on, and principal of the 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 Notes of any Class as a consequence.

The Class A Notes are expected, on issue, to be rated AA by Standard & Poor’s Credit Market Services Italy S.r.l. and AA by Fitch Ratings Ltd. As of the date of this Prospectus, each of Standard & Poor’s Credit Market Services Italy S.r.l. and Fitch Ratings Ltd. 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 of the European Parliament and of the Council of 11 May 2011 (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 Class B Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.

The Class A Notes and the Class B Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any other jurisdiction. Accordingly, the Class A Notes and the Class B Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “**Subscription and Sale**”. The Originators will subscribe for the Notes and intend to retain the Notes subscribed by them.

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

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

Arranger
Banca Akros S.p.A.

Dated 14 March 2013

RESPONSIBILITY STATEMENTS

None of the Issuer, the Representative of the Noteholders, the Arranger or any other party to any of the Transaction Documents (as defined below), other than the Originators, has undertaken or will undertake any investigations, searches or other actions to verify details of the Claims sold by the Originators to the Issuer, nor have the Issuer, the Representative of the Noteholders, the Arranger or any other party to any of the Transaction Documents, other than the Originators, undertaken, nor will they 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 in respect of the Claims.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), such information contained in this Offering Circular 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 Offering Circular contains all information which is material, that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading.

*The Originators have provided the information under the sections headed “**The Portfolios**”, “**The Originators**” and the “**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. The Originators have also provided the historical data for the information contained in the section headed “**Estimated Weighted Average Life of the Rated Notes**” on the basis of which the information contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. To the best of the knowledge of the Originators (which have taken all reasonable care to ensure that such is the case), the information and data in relation to which they are responsible as described above are in accordance with the facts and does not omit anything likely to affect the import of such information and data.*

*KPMG Fides Servizi di Amministrazione S.p.A. 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 section. To the best of the knowledge of KPMG Fides Servizi di Amministrazione S.p.A. (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, KPMG Fides Servizi di Amministrazione S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New York Mellon SA/NV, Dublin Branch has provided the information included in this Prospectus in the relevant part of the section headed “**The Agent Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Cash Manager and the Irish Paying Agent**” and accepts responsibility for the corporate information contained in that section. To the best of the knowledge of each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New York Mellon SA/NV, Dublin 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 The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New*

York Mellon SA/NV, Dublin Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

Invest Banca S.p.A has provided the information included in this Prospectus in the relevant parts of the section headed “The Operating Bank” and accepts responsibility for the information contained in that section. To the best of the knowledge of Invest Banca S.p.A (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, Invest Banca S.p.A 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, 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 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 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 all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by the Originators (in any capacity), the quotaholders of the Issuer and any Other Issuer Creditors (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 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 Back-Up Servicers, the Representative of the Noteholders, the Security Trustee, the Subscribers, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Corporate Services Provider, the Cash Manager, the Computation Agent, the Operating Bank, the Stichting Corporate Services Provider and the Irish Paying Agent. The Noteholders will agree that the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the orders of priority of application 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 to all amounts deriving therefrom 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 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 Noteholders, the Other Issuer Creditors and any such third party.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of

it constitutes an offer, and may not be used for the purpose of an offer, to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Prospectus can only be used for the purposes for which it has been issued.

*The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the 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 Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the 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 Notes and the distribution of this Prospectus see “**Subscription and Sale**”.*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any other jurisdiction. Accordingly, the Class A Notes and the Class B Notes are being offered and 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 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 Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the 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.*

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OVERVIEW OF THE TRANSACTION

The following information is an overview of certain aspects of the transactions relating to the 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 Overview of the Transaction, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.

PRINCIPAL FEATURES OF THE NOTES

TITLE The Notes will be issued by the Issuer on the Issue Date in the following classes:

Euro 87,800,000 Class A1 Notes due November 2079 (the “**Class A1 Notes**”);

Euro 80,300,000 Class A2 Notes due November 2079 (the “**Class A2 Notes**”);

Euro 72,300,000 Class A3 Notes due November 2079 (the “**Class A3 Notes**” and together with the Class A1 Notes and the Class A2 Notes, the “**Class A Notes**” or the “**Rated Notes**”);

Euro 53,225,000 Class B1 Notes due November 2079 (the “**Class B1 Notes**”);

Euro 48,729,000 Class B2 Notes due November 2079 (the “**Class B2 Notes**”);

Euro 43,750,000 Class B3 Notes due November 2079 (the “**Class B3 Notes**” and together with the Class B1 Notes and the Class B2 Notes, the “**Class B Notes**”. The Class A Notes and the Class B Notes, together the “**Notes**”).

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

<i>Class</i>	<i>Issue Price</i>
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Class A	100%
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Class B	100%
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INTEREST The rate of interest applicable from time to time in respect of the Notes (the “**Interest Rate**”) will be:

- (i) with respect to the Class A1 Notes and the Class B1 Notes, the EURIBOR for 3 (three) month deposits in Euro (the “**Three Month EURIBOR**”), as determined and defined in accordance with Condition 5 (*Interest*); plus the following relevant margin:

- Class A1 Notes 0.50% *per annum*;
 - Class B1 Notes 0.60% *per annum*;
- (ii) with respect to the Class A2 Notes, the Class A3 Notes, the Class B2 Notes and the Class B3 Notes, the EURIBOR for 6 (six) month deposits in Euro (the “**Six Month EURIBOR**”), as determined and defined in accordance with Condition 5 (*Interest*); *plus* the following relevant margin:
- Class A2 Notes 0.50% *per annum*;
 - Class A3 Notes 0.50% *per annum*;
 - Class B2 Notes 0.60% *per annum*;
 - Class B3 Notes 0.60% *per annum*;

The Class B Notes respectively bear, in addition to interest, the Class B1 Notes Additional Return, the Class B2 Notes Additional Return and the Class B3 Notes Additional Return (as defined below) from (and including) the Issue Date.

PAYMENT DATE

Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on 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 Date will fall on 7 May 2013 (the “**First Payment Date**”).

INTEREST AMOUNT

The “**Interest Amount**” in respect of the Notes in any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Notes:

- (1) in the case of the Initial Interest Period on the Issue Date; and
- (2) in respect of all other Interest Periods, on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment 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).

ADDITIONAL RETURN

Means (i) on each Payment Date on which the Pre-Acceleration Order of Priority applies, (a) in respect of the Class B1 Notes, the Class B1 Notes Additional Return, (b) in respect of the Class B2 Notes, the Class B2 Notes Additional Return, and (c) in respect of the Class B3 Notes, the Class B3 Notes Additional Return, and (ii) on each Payment Date on which the Acceleration Order of Priority applies, the Class B Notes Additional Return.

CLASS B1 NOTES

Means, on each Payment Date on which the BCC Fornacette Pre-

**ADDITIONAL
RETURN**

Acceleration Order of Priority applies, an amount equal to the BCC Fornacette Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BCC Fornacette Pre-Acceleration Order of Priority.

**CLASS B2 NOTES
ADDITIONAL
RETURN**

Means, on each Payment Date on which the BCC Castagneto Pre-Acceleration Order of Priority applies, an amount equal to the BCC Castagneto Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BCC Castagneto Pre-Acceleration Order of Priority.

**CLASS B3 NOTES
ADDITIONAL
RETURN**

Means, on each Payment Date on which the BP Lajatico Pre-Acceleration Order of Priority applies, an amount equal to the BP Lajatico Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BP Lajatico Pre-Acceleration Order of Priority.

**CLASS B NOTES
ADDITIONAL
RETURN**

Means, on each Payment Date on which the Acceleration Order of Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from (*First*) to (*Ninth*) (inclusive) of the Acceleration Order of Priority.

**UNPAID
INTEREST**

Without prejudice to Condition 9 (a) (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Rated 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 the Conditions as if it were, Interest Amount accrued on the Rated Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

**FORM AND
DENOMINATION
OF THE NOTES**

The Notes will be held in dematerialised form on behalf of the beneficial owners as of the 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 Notes will 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 regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes. The Class A Notes will be issued in denominations of Euro 100,000. Each series of Class B Notes will be issued in denominations of Euro 1,000.

ACCOUNTS AND DESCRIPTION OF CASH FLOWS

ACCOUNTS HELD WITH THE OPERATING BANK

Pursuant to the terms and conditions of the Cash Administration and Agency Agreement, the Issuer has directed the Operating Bank, to establish, maintain and operate the following account as separate account in the name of the Issuer:

QUOTA CAPITAL ACCOUNT

A Euro denominated account (the “**Quota Capital Account**”) (*Conto Capitale Sociale*) IBAN IT 84 O 03017 37830 0000 14090054 into which all sums contributed by the Quotaholders as quota capital of the Issuer and any interest thereon will be credited.

ACCOUNTS HELD WITH THE TRANSACTION BANK

Pursuant to the terms and conditions of the Cash Administration and Agency Agreement, the Issuer has directed the Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

EXPENSES ACCOUNT

A Euro denominated account (the “**Expenses Account**”) (*Conto Spese*) IBAN IT78W0335101600004613429780 into which: **(i)** on the Issue Date the Retention Amount shall be credited from the relevant Payments Sub-Account; and **(ii)** on each Payment Date an amount shall be paid from the relevant Payments Sub-Account in accordance with the applicable Order of Priority so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and out of which: **(i)** any taxes due and payable on behalf of the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (other than the Noteholders and the Other Issuer Creditors) incurred in relation to the Transaction will be paid on any Business Day; **(ii)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, any amount standing to the credit of the Expenses Account shall be transferred to the relevant Payments Sub-Account; and **(iii)** on the Issue Date certain up-front costs and expenses of the Transaction shall be paid upon instruction of the Issuer in accordance with the Subscription Agreement.

BCC FORNACETTE COLLECTION ACCOUNT

A Euro denominated account (the “**BCC Fornacette Collection Account**”) (*Conto dell'Operazione BCC Fornacette*) IBAN IT33X0335101600004613439780 into which: **(i)** all amounts received or recovered by BCC Fornacette in respect of the BCC Fornacette Claims shall be credited in accordance with the Servicing Agreement; and **(ii)** any amount due by the Servicer of the BCC Fornacette Portfolio to the Issuer as indemnity for the renegotiation of the BCC Fornacette Claims pursuant to the Servicing Agreement will be credited; and out of which any amount standing to the credit of such Account by 15:00 (Milan time) of each Business Day will be transferred, on the same

Business Day, into the BCC Fornacette Investment Account.

**BCC CASTAGNETO
COLLECTION
ACCOUNT**

A Euro denominated account (the “**BCC Castagneto Collection Account**”) (*Conto dell’Operazione BCC Castagneto*) IBAN IT85Y0335101600004613449780 *into which*: (i) all amounts received or recovered by BCC Castagneto in respect of the BCC Castagneto Claims shall be credited in accordance with the Servicing Agreement; and (ii) any amount due by the Servicer of the BCC Castagneto Portfolio to the Issuer as indemnity for the renegotiation of the BCC Castagneto Claims pursuant to the Servicing Agreement will be credited; and *out of which* any amount standing to the credit of such Account by 15:00 (Milan time) of each Business Day will be transferred, on the same Business Day, into the BCC Castagneto Investment Account.

**BP LAJATICO
COLLECTION
ACCOUNT**

A Euro denominated account (the “**BP Lajatico Collection Account**”) (*Conto dell’Operazione BP Lajatico*) IBAN IT40Z0335101600004613459780 *into which*: (i) all amounts received or recovered by BP Lajatico in respect of the BP Lajatico Claims shall be credited in accordance with the Servicing Agreement; and (ii) any amount due by the Servicer of the BP Lajatico Portfolio to the Issuer as indemnity for the renegotiation of the BP Lajatico Claims pursuant to the Servicing Agreement will be credited; and *out of which* any amount standing to the credit of such Account by 15:00 (Milan time) of each Business Day will be transferred, on the same Business Day, into the BP Lajatico Investment Account.

PAYMENTS ACCOUNT

A Euro denominated account (the “**Payments Account**”) (*Conto Pagamenti*) IBAN IT84K0335101600005457219780 divided in three Sub-Accounts named BCC Fornacette Payments Sub-Account IBAN IT61L0335101600005457219781, BCC Castagneto Payments Sub-Account IBAN IT38M0335101600005457219782 and BP Lajatico Payments Sub-Account IBAN IT15N0335101600005457219783,

into which:

- (a) **on the BCC Fornacette Payments Sub-Account** (i) all amounts standing to the credit of the BCC Fornacette Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the BCC Fornacette Investment Account (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; (ii) all amounts received from the sale of all or part of the BCC Fornacette Portfolio, should such sale occur, will be credited; (iii) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, the BCC Fornacette Outstanding Notes Ratio of any amount standing to the credit of the Expenses Account shall be transferred; (iv) the subscription price related to the Class A1

Notes and the Class B1 Notes (net of (a) any set-off agreed in the Subscription Agreement; and (b) an amount equal to the BCC Fornacette Reserve Amount) will be paid on the Issue Date; (v) on each Payment Date the amounts under item (*Fifteenth*) of the BCC Fornacette Pre-Acceleration Order of Priority shall be credited; and (vi) the amount standing to the credit of the BCC Fornacette Suspension Account which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be credited 2 (two) Business Days prior to each relevant Payment Date;

- (b) **on the BCC Castagneto Payments Sub-Account** (i) all amounts standing to the credit of the BCC Castagneto Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the BCC Castagneto Investment Account (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; (ii) all amounts received from the sale of all or part of the BCC Castagneto Portfolio, should such sale occur, will be credited; (iii) on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, the BCC Castagneto Outstanding Notes Ratio of any amount standing to the credit of the Expenses Account shall be transferred; (iv) the subscription price related to the Class A2 Notes and the Class B2 Notes (net of (a) any set-off agreed in the Subscription Agreement; and (b) an amount equal to the BCC Castagneto Reserve Amount) will be paid on the Issue Date; (v) on each Payment Date the amounts under item (*Fifteenth*) of the BCC Castagneto Pre-Acceleration Order of Priority shall be credited; and (vi) the amount standing to the credit of the BCC Castagneto Suspension Account which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be credited 2 (two) Business Days prior to each relevant Payment Date; and
- (c) **on the BP Lajatico Payments Sub-Account** (i) all amounts standing to the credit of the BP Lajatico Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the BP Lajatico Investment Account (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; (ii) all amounts received from the sale of all or part of the BP Lajatico Portfolio, should such sale occur, will be credited; (iii) on the Business Day immediately preceding the

earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, the BP Lajatico Outstanding Notes Ratio of any amount standing to the credit of the Expenses Account shall be transferred; (iv) the subscription price related to the Class A3 Notes and the Class B3 Notes (net of (a) any set-off agreed in the Subscription Agreement; and (b) an amount equal to the BP Lajatico Reserve Amount) will be paid on the Issue Date; (v) on each Payment Date the amounts under item (Fifteenth) of the BP Lajatico Pre-Acceleration Order of Priority shall be credited; and (vi) the amount standing to the credit of the BP Lajatico Suspension Account which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be credited 2 (two) Business Days prior to each relevant Payment Date;

out of which:

- (a) **from the BCC Fornacette Payments Sub-Account (i)** on each Payment Date all payments of interest and principal on the Class A1 Notes and the Class B1 Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the BCC Fornacette Pre-Acceleration Order of Priority or the Acceleration Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; (ii) any amount standing to the credit thereof will be transferred to the BCC Fornacette Investment Account 1 (one) Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full and the Final Maturity Date); and (iii) on the Issue Date the BCC Fornacette Outstanding Notes Ratio as of the Issue Date of the Retention Amount will be credited to the Expenses Account;
- (b) **from the BCC Castagneto Payments Sub-Account (i)** on each Payment Date all payments of interest and principal on the Class A2 Notes and the Class B2 Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the BCC Castagneto Pre-Acceleration Order of Priority or the Acceleration Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; (ii) any amount standing to the credit thereof will be transferred to the BCC Castagneto Investment Account 1 (one) Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full and the Final Maturity Date); and (iii) on the Issue Date the BCC Castagneto Outstanding Notes Ratio as of the Issue Date of the Retention Amount will be credited to the

Expenses Account; and

- (c) **from the BP Lajatico Payments Sub-Account (i)** on each Payment Date all payments of interest and principal on the Class A3 Notes and the Class B3 Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the BP Lajatico Pre-Acceleration Order of Priority or the Acceleration Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; **(ii)** any amount standing to the credit thereof will be transferred to the BP Lajatico Investment Account 1 (one) Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full and the Final Maturity Date); and **(iii)** on the Issue Date the BP Lajatico Outstanding Notes Ratio as of the Issue Date of the Retention Amount will be credited to the Expenses Account.

**BCC FORNACETTE
SUSPENSION ACCOUNT**

A Euro denominated account (the “**BCC Fornacette Suspension Account**”) (*Conto Sospensioni BCC Fornacette*) IBAN IT85A0335101600004613469780, into which all the BCC Fornacette Suspension Amounts shall be credited in accordance with the Servicing Agreement; and out of which: **(i)** the amount standing to the credit thereof which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be transferred to the BCC Fornacette Payments Sub-Account 2 (two) Business Days prior to each relevant Payment Date; and **(ii)** on each Payment Date, the relevant Repayment Amount shall be transferred to BCC Fornacette upon instruction of the Issuer in accordance with the Servicing Agreement.

“**BCC Fornacette Suspension Amounts**” means any amount to be paid by BCC Fornacette, acting as Servicer, into the BCC Fornacette Suspension Account prior to the authorisation by BCC Fornacette to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BCC Fornacette Repayment Amount**” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BCC Fornacette Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BCC Fornacette pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BCC Fornacette Suspension Account to the BCC Fornacette

Payments Sub-Account in accordance with clause 3.2 (f) item (i) of the Cash Administration and Agency Agreement from the Issue Date until the immediately following Payment Date (included); *less*

- (c) any amount transferred from the BCC Fornacette Suspension Account to the relevant Servicer of the BCC Fornacette Portfolio pursuant to clause 3.2 (f) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BCC Fornacette Repayment Amount shall be equal to the balance standing to the credit of the BCC Fornacette Suspension Account.

BCC CASTAGNETO SUSPENSION ACCOUNT

A Euro denominated account (the “**BCC Castagneto Suspension Account**”) (*Conto Sospensioni BCC Castagneto*) IBAN IT40B0335101600004613479780, *into which* all the BCC Castagneto Suspension Amounts shall be credited in accordance with the Servicing Agreement; and out of which: (i) the amount standing to the credit thereof which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be transferred to the BCC Castagneto Payments Sub-Account 2 (two) Business Days prior to each relevant Payment Date; and (ii) on each Payment Date, the relevant Repayment Amount shall be transferred to BCC Castagneto upon instruction of the Issuer in accordance with the Servicing Agreement.

“**BCC Castagneto Suspension Amounts**” means any amount to be paid by BCC Castagneto, acting as Servicer, into the BCC Castagneto Suspension Account prior to the authorisation by BCC Castagneto to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BCC Castagneto Repayment Amount**” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BCC Castagneto Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BCC Castagneto pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BCC Castagneto Suspension Account to the BCC Castagneto Payments Sub-Account in accordance with clause 3.2 (g) item (i) of the Cash Administration and Agency Agreement from the Issue

Date until the immediately following Payment Date (included);
less

- (c) any amount transferred from the BCC Castagneto Suspension Account to the relevant Servicer of the BCC Castagneto Portfolio pursuant to clause 3.2 (g) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BCC Castagneto Repayment Amount shall be equal to the balance standing to the credit of the BCC Castagneto Suspension Account.

BP LAJATICO SUSPENSION ACCOUNT

A Euro denominated account (the “**BP Lajatico Suspension Account**”) (*Conto Sospensioni BP Lajatico*) IBAN IT92C033510160004613489780, into which all the BP Lajatico Suspension Amounts shall be credited in accordance with the Servicing Agreement; and out of which: (i) the amount standing to the credit thereof which shall form part of the Issuer Available Funds with respect to each Payment Date (as determined by the Computation Agent in accordance with the terms of the Cash Administration and Agency Agreement) shall be transferred to the BP Lajatico Payments Sub-Account 2 (two) Business Days prior to each relevant Payment Date; and (ii) on each Payment Date, the relevant Repayment Amount shall be transferred to BP Lajatico upon instruction of the Issuer in accordance with the Servicing Agreement.

“**BP Lajatico Suspension Amounts**” means any amount to be paid by BP Lajatico, acting as Servicer, into the BP Lajatico Suspension Account prior to the authorisation by BP Lajatico to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BP Lajatico Repayment Amount**” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BP Lajatico Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BP Lajatico pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BP Lajatico Suspension Account to the BP Lajatico Payments Sub-Account in accordance with clause 3.2 (h) item (i) of the Cash Administration and Agency Agreement from the Issue Date until the immediately following Payment Date (included); *less*

- (c) any amount transferred from the BP Lajatico Suspension Account to the relevant Servicer of the BP Lajatico Portfolio pursuant to clause 3.2 (h) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BP Lajatico Repayment Amount shall be equal to the balance standing to the credit of the BP Lajatico Suspension Account.

“**Repayment Amount**” means the BP Lajatico Repayment Amount, the BCC Castagneto Repayment Amount, the BCC Fornacette Repayment Amount, as the case may be.

**BCC FORNACETTE
RESERVE ACCOUNT**

A Euro denominated account (the “**BCC Fornacette Reserve Account**”) (*Conto Riserva BCC Fornacette*) IBAN IT47D0335101600004613499780 into which on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under items (*Sixth*), (*Tenth*) and (*Twelfth*) of the BCC Fornacette Pre-Acceleration Order of Priority and item (*Seventh*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority will be credited; and out of which on the Business Day following each Payment Date the amount standing to the credit of the BCC Fornacette Reserve Account will be transferred into the BCC Fornacette Investment Account.

**BCC CASTAGNETO
RESERVE ACCOUNT**

A Euro denominated account (the “**BCC Castagneto Reserve Account**”) (*Conto Riserva BCC Castagneto*) IBAN IT82Y0335101600004613509780 into which on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under items (*Sixth*), (*Tenth*) and (*Twelfth*) of the BCC Castagneto Pre-Acceleration Order of Priority and item (*Seventh*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority will be credited; and out of which on the Business Day following each Payment Date the amount standing to the credit of the BCC Castagneto Reserve Account will be transferred into the BCC Castagneto Investment Account.

**BP LAJATICO RESERVE
ACCOUNT**

A Euro denominated account (the “**BP Lajatico Reserve Account**”) (*Conto Riserva BP Lajatico*) IBAN IT37Z0335101600004613519780 into which on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under items (*Sixth*), (*Tenth*) and (*Twelfth*) of the BP Lajatico Pre-Acceleration Order of Priority and item (*Seventh*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority will be credited; and out of which on the Business Day following each Payment Date the amount standing to the credit of the BP Lajatico Reserve Account will be transferred into the BP Lajatico Investment Account.

**ACCOUNTS HELD WITH
THE ENGLISH
TRANSACTION BANK**

The Issuer has directed the English Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

**BCC FORNACETTE
INVESTMENT ACCOUNT**

A Euro denominated cash and securities account (the “**BCC Fornacette Investment Account**”) (*Conto Investimenti BCC Fornacette*) IBAN GB58IRVT70022581434180 into which: (i) any amounts standing to the credit of the BCC Fornacette Collection Account by 15:00 Milan time of each Business Day will be transferred on the same Business Day; (ii) (a) all sums arising from the BCC Fornacette Portfolio, and (b) the BCC Fornacette Outstanding Notes Ratio of sums which are not directly attributable to the BCC Fornacette Portfolio, to the BCC Castagneto Portfolio or the BP Lajatico Portfolio collected or received by the Issuer under any Transaction Document to which the Issuer is a party will be credited from time to time, if not credited to other accounts pursuant to the Transaction Documents; (iii) any amount credited into the BCC Fornacette Reserve Account on each Payment Date in accordance with the BCC Fornacette Pre-Acceleration Order of Priority will be transferred on the Business Day following such date; (iv) any amounts standing to the credit of the BCC Fornacette Payments Sub-Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full and the Final Maturity Date) will be credited on such Business Day; (v) an amount equal to the BCC Fornacette Reserve Amount shall be credited out of the subscription price related to the Class B1 Notes on the Issue Date; (vi) all securities constituting Eligible Investments and any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds standing to the credit of such account and any profit generated thereby or interest accrued thereon, will be credited (other than on the second Business Day prior to each Payment Date, on which date such sums will be credited to the BCC Fornacette Payments Sub-Account); (vii) any amount due to the Issuer under the Warranty and Indemnity Agreement; and out of which: (i) any amounts standing to the credit thereof 2 (two) Business Days before each Payment Date shall be credited on such date to the BCC Fornacette Payments Sub-Account; (ii) in accordance with the provisions set forth in clause 8 of the Cash Administration and Agency Agreement, upon written instruction of the Operating Bank (which shall be binding for the Cash Manager until a further written instruction is given to it by the Operating Bank), all amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, provided that in no case Eligible Investments shall be purchased in the last two Business Days of each Interest Period.

**BCC CASTAGNETO
INVESTMENT ACCOUNT**

A Euro denominated cash and securities account (the “**BCC Castagneto Investment Account**”) (*Conto Investimenti BCC Castagneto*) IBAN GB26IRVT70022581433980 into which: (i) any amounts standing to the credit of the BCC Castagneto Collection Account by 15:00 Milan time of each Business Day will be transferred on the same Business Day; (ii) (a) all sums arising from the BCC Castagneto Portfolio, and (b) the BCC Castagneto Outstanding Notes Ratio of sums which are not directly attributable to the BCC Fornacette Portfolio, to the BCC Castagneto Portfolio or the BP Lajatico Portfolio collected or received by the Issuer under any Transaction Document to which the Issuer is a party will be credited from time to time, if not credited to other accounts pursuant to the Transaction Documents; (iii) any amount credited into the BCC

Castagneto Reserve Account on each Payment Date in accordance with the BCC Castagneto Pre-Acceleration Order of Priority will be transferred on the Business Day following such date; (iv) any amounts standing to the credit of the BCC Castagneto Payments Sub-Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full and the Final Maturity Date) will be credited on such Business Day; (v) an amount equal to the BCC Castagneto Reserve Amount shall be credited out of the subscription price related to the Class B2 Notes on the Issue Date; (vi) all securities constituting Eligible Investments and any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds standing to the credit of such account and any profit generated thereby or interest accrued thereon, will be credited (other than on the second Business Day prior to each Payment Date, on which date such sums will be credited to the BCC Castagneto Payments Sub-Account); (vii) any amount due to the Issuer under the Warranty and Indemnity Agreement; and *out of which*: (i) any amounts standing to the credit thereof 2 (two) Business Days before each Payment Date shall be credited on such date to the BCC Castagneto Payments Sub-Account; (ii) in accordance with the provisions set forth in clause 8 of the Cash Administration and Agency Agreement, upon written instruction of the Operating Bank (which shall be binding for the Cash Manager until a further written instruction is given to it by the Operating Bank), all amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, provided that in no case Eligible Investments shall be purchased in the last two Business Days of each Interest Period.

**BP LAJATICO
INVESTMENT ACCOUNT**

A Euro denominated cash and securities account (the “**BP Lajatico Investment Account**”) (*Conto Investimenti BP Lajatico*) IBAN GB91IRVT70022581433780 *into which*: (i) any amounts standing to the credit of the BP Lajatico Collection Account by 15:00 Milan time of each Business Day will be transferred on the same Business Day; (ii) (a) all sums arising from the BP Lajatico Portfolio, and (b) the BP Lajatico Outstanding Notes Ratio of sums which are not directly attributable to the BCC Fornacette Portfolio, to the BCC Castagneto Portfolio or the BP Lajatico Portfolio collected or received by the Issuer under any Transaction Document to which the Issuer is a party will be credited from time to time, if not credited to other accounts pursuant to the Transaction Documents; (iii) any amount credited into the BP Lajatico Reserve Account on each Payment Date in accordance with the BP Lajatico Pre-Acceleration Order of Priority will be transferred on the Business Day following such date; (iv) any amounts standing to the credit of the BP Lajatico Payments Sub-Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full and the Final Maturity Date) will be credited on such Business Day; (v) an amount equal to the BP Lajatico Reserve Amount shall be credited out of the subscription price related to the Class B3 Notes on the Issue Date; (vi) all securities constituting Eligible Investments and any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds

standing to the credit of such account and any profit generated thereby or interest accrued thereon, will be credited (other than on the second Business Day prior to each Payment Date, on which date such sums will be credited to the BP Lajatico Payments Sub-Account); (vii) any amount due to the Issuer under the Warranty and Indemnity Agreement; and *out of which*: (i) any amounts standing to the credit thereof 2 (two) Business Days before each Payment Date shall be credited on such date to the BP Lajatico Payments Sub-Account; (ii) in accordance with the provisions set forth in clause 8 of the Cash Administration and Agency Agreement, upon written instruction of the Operating Bank (which shall be binding for the Cash Manager until a further written instruction is given to it by the Operating Bank), all amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, provided that in no case Eligible Investments shall be purchased in the last two Business Days of each Interest Period.

“**Accounts**” means collectively the Expenses Account, the Quota Capital Account, the Payments Account, the BCC Fornacette Collection Account, the BCC Castagneto Collection Account, the BP Lajatico Collection Account, the BCC Fornacette Investment Account, the BCC Castagneto Investment Account, the BP Lajatico Investment Account, the BCC Fornacette Reserve Account, the BCC Castagneto Reserve Account, the BP Lajatico Reserve Account, the BCC Fornacette Suspension Account, the BCC Castagneto Suspension Account, the BP Lajatico Suspension Account; and “**Account**” means any of them.

“**BCC Castagneto Accounts**” means the BCC Castagneto Collection Account, the BCC Castagneto Payments Sub-Account, the BCC Castagneto Reserve Account, the BCC Castagneto Investment Account and the BCC Castagneto Suspension Account.

“**BCC Castagneto Claims**” means the Claims assigned by BCC Castagneto to the Issuer through the BCC Castagneto Transfer Agreement.

“**BCC Castagneto Portfolio**” means the portfolio of BCC Castagneto Claims and connected rights arising under the BCC Castagneto Loans which are sold to the Issuer by BCC Castagneto pursuant to the BCC Castagneto Transfer Agreement.

“**BCC Castagneto Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A2 Notes and Class B2 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**BCC Fornacette Accounts**” means the BCC Fornacette Collection Account, the BCC Fornacette Payments Sub-Account, the BCC Fornacette Reserve Account, the BCC Fornacette Investment Account and the BCC Fornacette Suspension Account.

“**BCC Fornacette Claims**” means the Claims assigned by BCC Fornacette to the Issuer through the BCC Fornacette Transfer Agreement.

“**BCC Fornacette Portfolio**” means the portfolio of BCC Fornacette Claims and connected rights arising under the BCC Fornacette Loans which are sold to the Issuer by BCC Fornacette pursuant to the BCC Fornacette Transfer Agreement.

“**BCC Fornacette Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A1 Notes and Class B1 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**BP Lajatico Accounts**” means the BP Lajatico Collection Account, the BP Lajatico Payments Sub-Account, the BP Lajatico Reserve Account, the BP Lajatico Investment Account and the BP Lajatico Suspension Account.

“**BP Lajatico Claims**” means the Claims assigned by BP Lajatico to the Issuer through the BP Lajatico Transfer Agreement.

“**BP Lajatico Portfolio**” means the portfolio of BP Lajatico Claims and connected rights arising under the BP Lajatico Loans which are sold to the Issuer by BP Lajatico pursuant to the BP Lajatico Transfer Agreement.

“**BP Lajatico Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A3 Notes and Class B3 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**Claims**” means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, and made up by the BCC Fornacette Claims, the BCC Castagneto and the BP Lajatico Claims.

“**Portfolios**” means, collectively, the BCC Fornacette Portfolio, the BCC Castagneto Portfolio and the BP Lajatico Portfolio.

“**Relevant**” when applied to the term “**Portfolio**” with respect to an Originator, a Series of Class B Notes, the Available Funds or a Pre-Acceleration Order of Priority means, respectively, the Portfolio sold by such Originator, through which interest on such Series of Class B Notes are paid, from which such Available Funds arise, whose Single Portfolio Available Funds are applied under such Pre-Acceleration Order of Priority and *viceversa*, and the same rule of interpretation shall apply to any other definition which contain the word “Relevant”.

BCC FORNACETTE

Means, in respect of each Payment Date on which the BCC Fornacette Pre-Acceleration Order of Priority applies, the aggregate of (without

AVAILABLE FUNDS

duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BCC Fornacette Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BCC Fornacette Available Funds on such Payment Date and shall only form part of the BCC Fornacette Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BCC Fornacette Available Funds;
- (ii) all amounts received by the Issuer in respect of the BCC Fornacette Portfolio pursuant to the BCC Fornacette Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;
- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BCC Fornacette Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BCC Fornacette Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BCC Fornacette Reserve Account on the immediately preceding Payment Date after application of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BCC Fornacette Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BCC Fornacette Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such

sale occur;

- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BCC Fornacette Accounts and the BCC Fornacette Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;
- (viii) all amounts (if any) to be paid on such Payment Date to the BCC Fornacette Available Funds under item (*Thirteenth*) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BCC Fornacette Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (*First*) to (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BCC Fornacette Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BCC Fornacette Suspension Account;
- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BCC Fornacette Accounts (other than the BCC Fornacette Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BCC Fornacette Payments Sub-Account according to the item (*Fifteenth*) of the BCC Fornacette Pre-Acceleration Order of Priority in any preceding Payment Date).

**BCC CASTAGNETO
AVAILABLE FUNDS**

Means, in respect of each Payment Date on which the BCC Castagneto Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BCC Castagneto Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BCC Castagneto Available Funds on such Payment Date and shall only form part of the BCC Castagneto Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the

relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BCC Castagneto Available Funds;

- (ii) all amounts received by the Issuer in respect of the BCC Castagneto Portfolio pursuant to the BCC Castagneto Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;
- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BCC Castagneto Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BCC Castagneto Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BCC Castagneto Reserve Account on the immediately preceding Payment Date after application of the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BCC Castagneto Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BCC Castagneto Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such sale occur;
- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BCC Castagneto Accounts and the BCC Castagneto Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;
- (viii) all amounts (if any) to be paid on such Payment Date to the BCC Castagneto Available Funds under item (*Thirteenth*) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BCC Castagneto Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (*First*) to (*Eleventh*) of

the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BCC Castagneto Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BCC Castagneto Suspension Account;

- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BCC Castagneto Accounts (other than the BCC Castagneto Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BCC Castagneto Payments Sub-Account according to the item (*Fifteenth*) of the BCC Castagneto Pre-Acceleration Order of Priority in any preceding Payment Date).

**BP LAJATICO
AVAILABLE FUNDS**

Means, in respect of each Payment Date on which the BP Lajatico Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BP Lajatico Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BP Lajatico Available Funds on such Payment Date and shall only form part of the BP Lajatico Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BP Lajatico Available Funds;
- (ii) all amounts received by the Issuer in respect of the BP Lajatico Portfolio pursuant to the BP Lajatico Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;

- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BP Lajatico Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BP Lajatico Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BP Lajatico Reserve Account on the immediately preceding Payment Date after application of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BP Lajatico Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BP Lajatico Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such sale occur;
- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BP Lajatico Accounts and the BP Lajatico Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;
- (viii) all amounts (if any) to be paid on such Payment Date to the BP Lajatico Available Funds under item (*Thirteenth*) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BP Lajatico Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (*First*) to (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BP Lajatico Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BP Lajatico Suspension Account;
- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BP Lajatico Accounts (other than the BP Lajatico Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BP Lajatico Payments Sub-Account according to the item (*Fifteenth*) of the BP Lajatico Pre-Acceleration Order of Priority in any preceding Payment Date).

“**Issuer Available Funds**” means the BCC Fornacette Available Funds, the BCC Castagneto Available Funds and/or the BP Lajatico Available Funds (as the context requires).

“**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.

“**Loan**” 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 Transfer Agreement, and “**Loans**” means all of them

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

“**Temporary Excluded Collections**” means any Collections deriving from prepayments of Loan Agreements not being Mutui Fondiari Agreements.

“**Relevant Temporary Excluded Collections**” means (i) in respect of the BCC Fornacette Available Funds, the Temporary Excluded Collections deriving from the BCC Fornacette Claims, (ii) in respect of the BCC Castagneto Available Funds, the Temporary Excluded Collections deriving from the BCC Castagneto Claims, and (iii) in respect of the BP Lajatico Available Funds, the Temporary Excluded Collections deriving from the BP Lajatico Claims.

AVAILABLE FUNDS

Means, in respect of each Payment Date, on which the Acceleration Order of Priority applies, the aggregate of:

- (i) all amounts received from the sale of all or part of the Portfolios, should such sale occur, and proceeds (if any) from the enforcement of the Security Documents and the Issuer's Rights;
- (ii) the residual balance standing to the credit of the Accounts (other than the Expenses Account and the Quota Capital Account);
- (iii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the Expenses Account.

ORDERS OF PRIORITY

BCC FORNACETTE PRE-ACCELERATION ORDER OF PRIORITY

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BCC Fornacette Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BCC Fornacette Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;
- (ii) *Second*, to pay in the following order (i) the BCC Fornacette Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BCC Fornacette Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BCC Fornacette Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BCC Fornacette Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes;

- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BCC Fornacette Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BCC Fornacette Reserve Account with the BCC Fornacette Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A1 Amortisation Amount due on the Class A1 Notes in respect of such Payment Date;
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (x) *Tenth*, to credit the BCC Fornacette Reserve Account with the BCC Fornacette Cash Reserve Amount due on such Payment Date;
- (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BCC Fornacette Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
- (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BP Lajatico Available Funds and the BCC Castagneto Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of

each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BCC Fornacette Available Funds, in each case net of any amount paid from or received by the BCC Fornacette Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;

- (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to:
 - (a) BCC Fornacette, pursuant to the BCC Fornacette Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement;
 - (b) the relevant Servicer pursuant to the Servicing Agreement in respect of the BCC Fornacette Portfolio, to the extent not already paid under other items of this Order of Priority;
- (xv) *Fifteenth*, to pay, in the following order, (i) to the BCC Fornacette Payments Sub-Account, only on any Payment Date on which the Class A1 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B1 Amortisation Amount due on the Class B1 Notes, and (ii) interest due and payable on the Class B1 Notes (other than the Class B1 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B1 Amortisation Amount due on the Class B1 Notes (until the Principal Amount Outstanding of the Class B1 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B1 Notes;
- (xvii) *Seventeenth*, to pay the Class B1 Notes Additional Return;
- (xviii) *Eighteenth*, 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 to BCC Fornacette,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BCC Fornacette Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

- (i) it shall prepare the Payments Report by applying the BCC Fornacette Available Funds in an amount not higher than:
 - (a) the amounts standing to the credit of the BCC Fornacette Reserve Account on the immediately preceding Payment

Date (after application of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date), *plus*

- (b) the aggregate amount transferred from the BCC Fornacette Collection Account to the BCC Fornacette Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BCC Fornacette Pre-Acceleration Order of Priority, and

- (ii) any amount that would otherwise have been payable under items from (*Sixth*) to (*Eighteenth*) of the BCC Fornacette Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BCC Fornacette Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Seventh*), (*Ninth*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority.

“**BCC Fornacette Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BCC Fornacette Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BCC Fornacette Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

BCC CASTAGNETO PRE-ACCELERATION ORDER OF PRIORITY

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BCC Castagneto Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BCC Castagneto Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;

- (ii) *Second*, to pay in the following order (i) the BCC Castagneto Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BCC Castagneto Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BCC Castagneto Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BCC Castagneto Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A2 Notes;
- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BCC Castagneto Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BCC Castagneto Reserve Account with the BCC Castagneto Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration

- Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A2 Amortisation Amount due on the Class A2 Notes in respect of such Payment Date;
 - (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
 - (x) *Tenth*, to credit the BCC Castagneto Reserve Account with the BCC Castagneto Cash Reserve Amount due on such Payment Date;
 - (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
 - (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BCC Castagneto Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
 - (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BCC Fornacette Available Funds and the BP Lajatico Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Castagneto Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BCC Castagneto Available Funds, in each case net of any amount paid from or received by the BCC Castagneto Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;
 - (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to:
(a) BCC Castagneto, pursuant to the BCC Castagneto Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement; (b) the

relevant Servicer pursuant to the Servicing Agreement in respect of the BCC Castagneto Portfolio, to the extent not already paid under other items of this Order of Priority;

- (xv) *Fifteenth*, to pay, in the following order, (i) to the BCC Castagneto Payments Sub-Account, only on any Payment Date on which the Class A2 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B2 Amortisation Amount due on the Class B2 Notes, and (ii) interest due and payable on the Class B2 Notes (other than the Class B2 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B2 Amortisation Amount due on the Class B2 Notes (until the Principal Amount Outstanding of the Class B2 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B2 Notes;
- (xvii) *Seventeenth*, to pay the Class B2 Notes Additional Return;
- (xviii) *Eighteenth*, 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 to BCC Castagneto,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BCC Castagneto Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

- (i) it shall prepare the Payments Report by applying the BCC Castagneto Available Funds in an amount not higher than:
 - (a) the amounts standing to the credit of the BCC Castagneto Reserve Account on the immediately preceding Payment Date (after application of the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date), *plus*
 - (b) the aggregate amount transferred from the BCC Castagneto Collection Account to the BCC Castagneto Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BCC Castagneto Pre-Acceleration Order of Priority, and

- (ii) any amount that would otherwise have been payable under items from *(Sixth)* to *(Eighteenth)* of the BCC Castagneto Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BCC Castagneto Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items *(Seventh)*, *(Ninth)* and *(Eleventh)* of any other Pre-Acceleration Order of Priority.

“**BCC Castagneto Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the items *(Fifth)*, *(Seventh)*, *(Ninth)* and *(Eleventh)* of the BCC Castagneto Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BCC Castagneto Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BCC Castagneto Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

BP LAJATICO PRE-ACCELERATION ORDER OF PRIORITY

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BP Lajatico Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BP Lajatico Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;

- (ii) *Second*, to pay in the following order (i) the BP Lajatico Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BP Lajatico Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BP Lajatico Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BP Lajatico Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A3 Notes;
- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BP Lajatico Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BP Lajatico Reserve Account with the BP Lajatico Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A3 Amortisation Amount due on the Class A3 Notes in respect of such Payment Date;
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration

Order of Priority;

- (x) *Tenth*, to credit the BP Lajatico Reserve Account with the BP Lajatico Cash Reserve Amount due on such Payment Date;
- (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BP Lajatico Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
- (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BCC Fornacette Available Funds and the BCC Castagneto Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BP Lajatico Available Funds, in each case net of any amount paid from or received by the BP Lajatico Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;
- (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BP Lajatico, pursuant to the BP Lajatico Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement; (b) the relevant Servicer pursuant to the Servicing Agreement in respect of the BP Lajatico Portfolio, to the extent not already paid under other items of this Order of Priority;
- (xv) *Fifteenth*, to pay, in the following order, (i) to the BP Lajatico Payments Sub-Account, only on any Payment Date on which the Class A3 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B3 Amortisation Amount due on the Class B3 Notes, and (ii) interest due and payable on the Class B3 Notes (other than the Class B3 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro*

rata according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B3 Amortisation Amount due on the Class B3 Notes (until the Principal Amount Outstanding of the Class B3 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B3 Notes;

- (xvii) *Seventeenth*, to pay the Class B3 Notes Additional Return;
- (xviii) *Eighteenth*, 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 to BP Lajatico,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BP Lajatico Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

- (i) it shall prepare the Payments Report by applying the BP Lajatico Available Funds in an amount not higher than:
 - (a) the amounts standing to the credit of the BP Lajatico Reserve Account on the immediately preceding Payment Date (after application of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date), *plus*
 - (b) the aggregate amount transferred from the BP Lajatico Collection Account to the BP Lajatico Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BP Lajatico Pre-Acceleration Order of Priority, and

- (ii) any amount that would otherwise have been payable under items from (*Sixth*) to (*Eighteenth*) of the BP Lajatico Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BP Lajatico Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Seventh*), (*Ninth*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority.

“**BP Lajatico Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the

items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BP Lajatico Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BP Lajatico Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

ACCELERATION ORDER OF PRIORITY

(a) At any time following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*), or (b) on the relevant Payment Date in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or for the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), on each relevant Payment Date the Available Funds shall be applied in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;
- (ii) *Second*, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Servicers, the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicers;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class

A1 Notes, the Class A2 Notes and the Class A3 Notes;

- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes;
- (vi) *Sixth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to each Originator any negative difference accrued but unpaid in respect of its Relevant Available Funds under item (*Thirteenth*) of the Relevant Pre-Acceleration Order of Priority;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to the Originators pursuant to any of the Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class B1 Notes, the Class B2 Notes and the Class B3 Notes (other than the Class B Notes Additional Return);
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class B Notes;
- (x) *Tenth*, to pay the Class B Notes Additional Return (*pari passu* and *pro rata* to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date);
- (xi) *Eleventh*, 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 Accounts (other than the Expenses Account and the Quota Capital Account) to the each Originator in proportion to the principal outstanding amount of the Relevant Portfolio transferred to the Issuer.

AMORTISATION OF THE NOTES

On each Payment Date on which the Pre-Acceleration Order of Priority applies, the principal payments due and payable on the Notes will be equal to:

- (a) in respect of the Class A Notes, the “**Class A Amortisation Amount**”;
- (b) in respect of the Class B Notes, the “**Class B Amortisation Amount**” (each a “**Class Amortisation Amount**”);

where:

CLASS A AMORTISATION

“**Class A Amortisation Amount**” means, (a) with reference to the Class A1

AMOUNT	Notes, the Class A1 Amortisation Amount, (b) with reference to the Class A2 Notes, the Class A2 Amortisation Amount, and (c) with reference to the Class A3 Notes, the Class A3 Amortisation Amount.
CLASS A1 AMORTISATION AMOUNT	“ Class A1 Amortisation Amount ” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Fornacette Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A1 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).
CLASS A2 AMORTISATION AMOUNT	“ Class A2 Amortisation Amount ” means with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Castagneto Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A2 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).
CLASS A3 AMORTISATION AMOUNT	“ Class A3 Amortisation Amount ” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BP Lajatico Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A3 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).
CLASS B AMORTISATION AMOUNT	“ Class B Amortisation Amount ” means, (a) with reference to the Class B1 Notes the Class B1 Amortisation Amount, (b) with reference to the Class B2 Notes, the Class B2 Amortisation Amount, and (c) with reference to the Class B3 Notes, the Class B3 Amortisation Amount.
CLASS B1 AMORTISATION AMOUNT	“ Class B1 Amortisation Amount ” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Fornacette Principal Amortisation Amount calculated in respect of such Payment Date <u>less</u> the Class A1 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B1 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).
CLASS B2 AMORTISATION AMOUNT	“ Class B2 Amortisation Amount ” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Castagneto Principal Amortisation Amount calculated in respect of such Payment Date <u>less</u> the Class A2 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B2 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).
CLASS B3 AMORTISATION AMOUNT	“ Class B3 Amortisation Amount ” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BP Lajatico Principal Amortisation Amount calculated in respect of such Payment Date <u>less</u> the Class A3 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B3 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

**BCC FORNACETTE
PRINCIPAL
AMORTISATION AMOUNT**

“**BCC Fornacette Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BCC Fornacette Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BCC Fornacette Portfolio repaid to the Issuer by BCC Fornacette pursuant to clause 5.3 of the BCC Fornacette Transfer Agreement during the immediately preceding Collection Period; plus
- (c) an amount equal to (i) any indemnity paid by BCC Fornacette pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BCC Fornacette Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BCC Fornacette Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BCC Fornacette Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus
- (d) an amount equal to the Outstanding Balance of the BCC Fornacette Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus
- (e) (a) upon BCC Fornacette 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 BCC Fornacette (in respect of the Borrower's deposits with BCC Fornacette) and the Claims comprised in the BCC Fornacette Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BCC Fornacette Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BCC Fornacette Principal Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BCC Fornacette Principal Amortisation Amount for the

First Payment Date will be equal to the aggregate of the items (a) to (e).

“**Principal Collections**” means any amount of principal (including any payment of principal received under the Insurance Policies and any prepayments) from time to time collected by the Issuer in respect of the Claims (other than Recoveries).

“**Defaulted Claims**” means any Claim arising from a Loan: (a) which has been classified “*in sofferenza*” by the relevant Servicer, in accordance with the relevant Collection Policies, or (b) in respect of which there are: (i) 12 or more Late Payments (in case of monthly Instalments), (ii) 6 or more Late Payments (in case of bi-monthly Instalments), (iii) 4 or more Late Payments (in case of quarterly Instalments), (iv) 2 or more Late Payments (in case of semiannually Instalments) and (v) 1 Late Payment for more than 90 days (in case of annually Instalments).

“**Late Payment**” means any Instalment that remains unpaid for more than 10 (ten) days after its scheduled payment date.

“**Recoveries**” means any recoveries made by the relevant Servicer in respect of the Defaulted Claims pursuant to the Servicing Agreement.

“**BCC Fornacette Principal Deficiency Ledger**” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BCC Fornacette Principal Amortisation Amount calculated with reference to the immediately succeeding Payment Date exceeds the BCC Fornacette Available Funds (together with the funds payable to the BCC Fornacette Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment Date, of the Class A1 Amortisation Amount and of the Class B1 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BCC Fornacette Principal Amortisation Amount.

“**Accrued Interest**” means, as of the Effective Date and in relation to all the Claims, the portion (if any) of the Interest Instalment falling due on its next scheduled payment date which has already accrued as at that date (excluded) and excluding interests for late payments (*interessi di mora*).

**BCC CASTAGNETO
PRINCIPAL
AMORTISATION AMOUNT**

“**BCC Castagneto Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BCC Castagneto Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BCC Castagneto Portfolio repaid to the Issuer by BCC Castagneto pursuant to clause 5.3 of the BCC Castagneto Transfer Agreement during the immediately

preceding Collection Period; plus

- (c) an amount equal to (i) any indemnity paid by BCC Castagneto pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BCC Castagneto Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BCC Castagneto Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BCC Castagneto Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus
- (d) an amount equal to the Outstanding Balance of the BCC Castagneto Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus
- (e) (a) upon BCC Castagneto 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 BCC Castagneto (in respect of the Borrower's deposits with BCC Castagneto) and the Claims comprised in the BCC Castagneto Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BCC Castagneto Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BCC Castagneto Principal Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BCC Castagneto Principal Amortisation Amount for the First Payment Date will be equal to the aggregate of the items (a) to (e).

“BCC Castagneto Principal Deficiency Ledger” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BCC Castagneto Principal Amortisation Amount calculated with reference to the immediately succeeding Payment Date exceeds the BCC Castagneto Available Funds (together with the funds payable to the BCC Castagneto Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment

Date, of the Class A2 Amortisation Amount and of the Class B2 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BCC Castagneto Principal Amortisation Amount.

BP LAJATICO PRINCIPAL AMORTISATION AMOUNT

“**BP Lajatico Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BP Lajatico Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BP Lajatico Portfolio repaid to the Issuer by BP Lajatico pursuant to clause 5.3 of the BP Lajatico Transfer Agreement during the immediately preceding Collection Period; plus
- (c) an amount equal to (i) any indemnity paid by BP Lajatico pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BP Lajatico Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BP Lajatico Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BP Lajatico Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus
- (d) an amount equal to the Outstanding Balance of the BP Lajatico Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus
- (e) (a) upon BP Lajatico 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 BP Lajatico (in respect of the Borrower's deposits with BP Lajatico) and the Claims comprised in the BP Lajatico Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BP Lajatico Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BP Lajatico Principal

Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BP Lajatico Principal Amortisation Amount for the First Payment Date will be equal to the aggregate of the items (a) to (e).

“BP Lajatico Principal Deficiency Ledger” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BP Lajatico Principal Amortisation Amount calculated with reference to the immediately succeeding Payment Date exceeds the BP Lajatico Available Funds (together with the funds payable to the BP Lajatico Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment Date, of the Class A3 Amortisation Amount and of the Class B3 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BP Lajatico Principal Amortisation Amount.

TRIGGER EVENTS

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

(a) *Non-payment:*

- (i) the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A1 Notes or the Class A2 Notes or the Class A3 Notes on the Final Maturity Date (provided that a 3 (three) Business Days' grace period shall apply and further provided that non payment of principal on the Notes, due to the relevant Servicer not having provided the Quarterly Servicing Report (as described respectively in Condition 4.1 (*BCC Fornacette Pre-Acceleration Order of Priority*), in Condition 4.2 (*BCC Castagneto Pre-Acceleration Order of Priority*) and in Condition 4.3 (*BP Lajatico Pre-Acceleration Order of Priority*)) shall not constitute a Trigger Event); or
- (ii) the amount paid by the Issuer as interest on the Class A1 Notes or the Class A2 Notes or the Class A3 Notes is lower than the relevant Interest Amount and such non-payment has continued unremedied for a period of five Business Days; 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 Notes (other than any obligation for the payment of principal or interest on the Rated Notes) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the

Noteholders, such default is incapable of remedy, in which case no notice will be required) 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 sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders 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, in the sole and absolute opinion of the Representative of the Noteholders, when made or deemed to be made; or

(d) *Insolvency etc.:*

(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, 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 (a) 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, 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;

(e) *Winding up etc.:*

An order is made or an effective resolution is passed for the winding-up, liquidation 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; or

(f) *Unlawfulness:*

It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material in its sole discretion) 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 directed 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 directed 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 interest accrued thereon and that the Acceleration Order of Priority shall apply.

“**Most Senior Class of Notes**” means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes.

“**Class**” means the Class A Notes or the Class B Notes, as the case may be, and “**Classes**” means both of them.

“**Class A Notes**” means, collectively, the Class A1 Notes, the Class A2 Notes and the Class A3 Notes.

“**Class B Notes**” means, collectively, the Class B1 Notes, the Class B2 Notes and the Class B3 Notes.

In the following circumstances:

- (i) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or
- (ii) in the case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), or
- (iii) if, after a Trigger Notice has been served on the Issuer (with a copy to the Servicers) pursuant to Condition 9 (*Trigger Events*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of 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 (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, *fallimento*, *concordato preventivo*, *liquidazione coatta amministrativa* and *accordi di ristrutturazione*, in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law, the Representative of the Noteholders shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolios.

RESERVE AMOUNT

On the Issue Date the Issuer has established a reserve fund (the “**Reserve Amount**”) in the Reserve Accounts.

The Reserve Amount is equal to Euro 10,149,587.04, provided that (i) upon fulfillment of the Cash Trapping Condition, the Reserve Amount is increased by an amount equal to the Additional Reserve Amounts, and (ii) on the Payment Date on which all the Rated Notes are redeemed in full, the Reserve Amount is equal to 0 (zero).

The Reserve Amount is composed by the BCC Fornacette Reserve Amount, the BCC Castagneto Reserve Amount and the BP Lajatico Reserve Amount.

The BCC Fornacette Reserve Amount is composed by the BCC Fornacette Liquidity Reserve Amount and the BCC Fornacette Cash Reserve Amount which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BCC Fornacette Portfolio.

The BCC Castagneto Reserve Amount is composed by the BCC

Castagneto Liquidity Reserve Amount and the BCC Castagneto Cash Reserve Amount which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BCC Castagneto Portfolio.

The BP Lajatico Reserve Amount is composed by the BP Lajatico Liquidity Reserve Amount and the BP Lajatico Cash Reserve Amount which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BP Lajatico Portfolio.

The BCC Fornacette Reserve Amount is equal to Euro 3,707,273.42, the BCC Castagneto Reserve Amount is equal to Euro 3,391,652.82 and the BP Lajatico Reserve Amount is equal to Euro 3,050,660.80, provided that (i) upon fulfillment of the Cash Trapping Condition, each Relevant Reserve Amount will be increased by an amount equal to the Relevant Additional Reserve Amount, and (ii) on the Payment Date on which all the Rated Notes are redeemed in full, each Relevant Reserve Amount will be equal to 0 (zero).

“Cash Reserve Amount” means, in respect of each Payment Date, an amount equal to the difference between the Reserve Amount as of the Issue Date and the Liquidity Reserve Amount as of such Payment Date, provided that on the Payment Date on which the Rated Notes are redeemed in full, the Cash Reserve Amount will be equal to 0 (zero).

“Liquidity Reserve Amount” means, in respect of each Payment Date, an amount equal to the higher of (i) 3.6% of the Principal Amount Outstanding of the Rated Notes on such Payment Date (before application of the Issuer Available Funds in accordance with the relevant Order of Priority) and (ii) 0.4% of the Initial Principal Portfolio; provided that on the Payment Date on which the Rated Notes are redeemed in full, the Liquidity Reserve Amount will be equal to 0 (zero).

“Relevant Cash Reserve Amount” means, in respect of each Payment Date and with reference to each Relevant Portfolio, an amount equal to the difference between the Relevant Reserve Amount as of the Issue Date and the Relevant Liquidity Reserve Amount as of such Payment Date, provided that on the Payment Date on which all the Rated Notes are redeemed in full, each Relevant Cash Reserve Amount will be equal to 0 (zero).

“Relevant Liquidity Reserve Amount” means, in respect of each Payment Date and with reference to each Relevant Portfolio, an amount equal to the higher of (i) 3.6% of the Principal Amount Outstanding of the Rated Notes of the Relevant Portfolio on such Payment Date (before application of the Issuer Available Funds in accordance with the relevant Order of Priority) and (ii) 0.4% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; provided that on the Payment Date on which all the Rated Notes are redeemed in full, each Relevant Liquidity Reserve Amount will be equal to 0 (zero).

Each Relevant Reserve Amount will be funded:

- (i) on the Issue Date through the subscription price of the Notes, in accordance with the terms of the Subscription Agreement; and
- (ii) on each Payment Date through application of the Issuer Available Funds in accordance with the Pre-Acceleration Order of Priority.

Each Relevant Reserve Amount will form part of the Issuer Available Funds on the Issue Date and on each Payment Date thereafter (to the extent funded in accordance with the Pre-Acceleration Order of Priority) and will be utilised: (a) on any Payment Date on which the Pre-Acceleration Order of Priority applies (i) as regards the Liquidity Reserve Amount, to provide liquidity support to the Rated Notes to meet payments under items (*First*) to (*Fifth*) of the Relevant Pre-Acceleration Order of Priority, and (ii) as regards the Cash Reserve Amount, to provide liquidity and credit support to the Rated Notes to meet payments under items (*First*) to (*Ninth*) of the Relevant Pre-Acceleration Order of Priority; and (b) on any date on which the Acceleration Order of Priority applies, to provide liquidity and credit support to the Rated Notes to meet payments under any item of the Acceleration Order of Priority.

“**Cash Trapping Condition**” means, with reference to any Payment Date, the event which occurs when the Cumulative Net Default Ratio is equal to or higher than 4%.

“**Cumulative Net Default Ratio**” means, with reference to any Payment Date, the ratio between (a) the principal amount outstanding as at the default date of the Claims which have been classified as Defaulted Claims from the relevant Effective Date up to the Collection Date immediately preceding such Payment Date, less the aggregate of all the recoveries in respect of such Defaulted Claims from the relevant Effective Date up to the Collection Date immediately preceding such Payment Date, and (b) the Initial Principal Portfolio.

“**Initial Principal Portfolio**” means the aggregate principal outstanding amount of all the Portfolios as of the Effective Date, being Euro 375,873,043.83.

“**Effective Date**” means the 23.59 of the 30 November 2012.

“**Relevant Additional Reserve Amount**” means, in respect of any Relevant Cash Reserve, the Issuer Available Funds of the Relevant Portfolio available after payment of items from (*First*) to (*Eleventh*) of the Pre-Acceleration Order of Priority of the Relevant Portfolio.

FINAL REDEMPTION

To the extent not otherwise redeemed, the Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2079 (the “**Final Maturity Date**”).

The “**Principal Amount Outstanding**” in relation to each of the Notes on any date shall be the principal amount of that Note upon issue, minus the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date.

“**Final Redemption Date**” means the earlier to occur between: (i) the date when any amount payable on the Claims of each Portfolio will have been paid, and (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer.

MANDATORY REDEMPTION

The Notes will be subject to mandatory redemption in full or in part:

- (A) on each Payment Date, in a maximum amount equal to the relevant Class Amortisation Amount with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;
- (B) (i) on any date following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); and (ii) on the relevant Payment Date in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

OPTIONAL REDEMPTION

The Issuer may redeem the Notes in whole but not in part (or only the Rated Notes in whole, if all the Junior Noteholders consent) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, on any Payment Date falling on or after the Initial Clean Up Option Date.

“**Initial Clean Up Option Date**” means the first Payment Date immediately succeeding the Collection Date on which the aggregate principal outstanding amount of all the Portfolios is equal to or less than 10% (ten per cent.) of the Initial Principal Portfolio.

Such optional redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor fewer than 15 (fifteen) days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders and the holders of the Rated Notes in accordance with Condition 12 (*Notices*) and to the Rating Agencies and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, has produced evidence 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 relevant Notes (to be redeemed) and any amounts required under the Acceleration

Order of Priority to be paid in priority to or *pari passu* with such Notes. In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolios.

REDEMPTION FOR TAXATION

If the Issuer 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, to the effect that following the occurrence of certain legislative or regulatory changes or official interpretations thereof by competent authorities the Issuer:

- (A) (also through any Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any repayment of principal of or payment of interest on the Rated 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) would incur in increased costs or charges of a fiscal nature (including taxes, duties, assessments, withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation,

the Issuer may, on any following Payment Date, redeem all but not some only of the Notes (or only the Rated Notes in whole, if all the Junior Noteholders consent) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon and all payments ranking in priority thereto or *pari passu* therein up to and including the relevant Payment Date (plus any additional taxes payable by the Issuer by reason of such early redemption of the Notes) and on such Payment Date the Acceleration Order of Priority will become applicable, provided that not more than 60 (sixty) nor fewer than 30 (thirty) days' prior to the Payment Date on which the relevant Notes will be redeemed (a) the Issuer shall have given prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 12 (*Notices*), and (b) the Issuer has produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any other person) to discharge all of its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to, or *pari passu* with, such Notes (plus any additional taxes payable by the Issuer by reason of such early redemption of the Notes). In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to

dispose of the Portfolios.

LISTING

Application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market. No application has been made to list the Class B Notes on the Irish Stock Exchange or on any other stock exchange.

RATINGS

The Rated Notes are expected to be assigned, on issue, the following ratings:

Class A Notes	AA by Fitch Ratings Ltd. and AA by Standard & Poor's Credit Market Services Italy S.r.l.
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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.

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, 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.

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 Notes. In respect of the Rated Notes, these risks are mitigated by the liquidity and credit support provided by (a) the subordination of the Class B Notes (see for further details “*Subordination*” below) and (b) the Reserve Amount. 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 Class B Notes and the Reserve Amount will be adequate to ensure punctual and full receipt of amounts due under the Rated 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) 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 BCC Fornacette, BP Lajatico and BCC Castagneto 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 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 BCC Fornacette, BP Lajatico and BCC Castagneto under the Servicing Agreement, the relevant Back-Up Servicer will fulfill its obligations to service the Relevant Portfolio.

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 Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

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 Notes

The Issuer will not as of the 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 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 Notes or at the redemption date of the Notes (whether on the 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 Notes, or to repay the 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 Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of 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 Arranger 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 Arranger 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 relevant

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. 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 will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to Law 130) and amounts deriving therefrom (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be available on a winding up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and to pay other costs of the Transaction. Amounts derived from the Portfolios (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer.

In order to ensure such segregation: (i) the Issuer has undertaken (and is obligated pursuant to the Bank of Italy regulations) to open and to keep separate accounts in relation to each securitisation transaction; (ii) the Servicers shall be able to individuate 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). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

However, no guarantee can be given on the fact that the parties to the Transaction will comply with the law provisions 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. Notwithstanding the foregoing, the corporate object 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 transactions that are not contemplated in the Transaction Documents.

1.5 Limited enforcement rights

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

1.6 Rights of Set-Off of Borrowers

Under general principles of Italian law, the Borrowers would be entitled to exercise rights of set-off in respect of amounts due under any Claim against any amounts payable by each of the Originators to the relevant assigned Borrower. After publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreements and registration of the assignment in the register of companies where the Issuer is enrolled (and provided that the relevant Borrower has not accepted the assignment of its debt with an express qualification to maintain a right to set-off, as indicated in certain law cases by the Supreme Court (*Corte di Cassazione*): judgement 5 March 1980, No. 1484 and 16 January 1979, No. 310), the Borrowers shall not be entitled to exercise any set-off right against their claims vis-à-vis each of 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.

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 any case, the Originators have represented under the Warranty and Indemnity Agreement there are not any Loan subject to the Italian consumer legislation.

1.7 Servicing of the Portfolios and potential conflicts of interest

Pursuant to the Servicing Agreement and as of its date of execution, each of BCC Fornacette, BCC Castagneto and BP Lajatico will service respectively the BCC Fornacette Portfolio, the BCC Castagneto Portfolio and the BP Lajatico Portfolio. 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 BCC Fornacette, BCC Castagneto and BP Lajatico under the Servicing Agreement, the relevant Back-Up Servicer will fulfill its obligations to service the Relevant Portfolio. For further details see section headed “*Description of the Servicing Agreement and the Back-Up 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.

1.8 Further Securitisations

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolios. Pursuant to Article 3 of the Securitisation Law, the assets relating to each individual securitisation transaction will, by operation of law, be segregated from all other assets of the company that purchases the receivables. On a winding up of such company, such assets will only be available to holders of notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by such company in connection with the securitisation of the relevant assets.

The implementation by the Issuer of any such further securitisation is subject to the conditions specified under Condition 3.10 (*Further Securitisations*). According to such condition, it is a condition precedent, *inter alia*, to any such securitisation that the Issuer has notified Fitch of the implementation of each further securitization, and has received prior confirmation from S&P that such implementation does not adversely affect the current ratings of the Class A Notes. See Condition 3 (*Covenants*).

1.9 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 14 February 2006 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell' "Elenco Speciale", degli Imel, delle SGR e delle SIM*), the assets, 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.

As confirmed by the Italian Tax Authority (*Agenzia delle Entrate*) Resolution No. 139/E of 17 November 2004, issued in relation to the EU Court of Justice sentence of June 26, 2003 on case C-305/01, the transfer of the Portfolios to the Issuer qualifies as a financial service rendered by the Issuer to the Originators, to be subject to VAT at the zero per cent. rate (operazione *esente IVA*) because it does not represent a mere credit recovery activity which would be subject to VAT at a 21 percent rate. The characterisation of the transfer of Portfolios as a financial service is supported by the evidence that the transfer takes place in the context of a financial transaction where (a) the Originators transfer the Portfolios to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the Portfolios) to be advanced to the Originators as transfer price of the Portfolios; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the Portfolios to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. It is however possible that future rulings, guidelines, regulations or letters of the Italian Tax Authority (*Agenzia delle Entrate*) or other competent authorities might propose a different interpretation. The Portfolio is not transferred for a consideration due by the Originators to the Issuer, nor at a discount below the face value of the receivables. As a consequence of this and according to Circular No. 32/E of 11 March 2011, the Italian Tax Authority (*Agenzia delle Entrate*) would argue that the transaction does not qualify for VAT purposes as operazione *esente* (VAT exempt) and qualify instead as operazione *fuori campo* (out

of the scope of VAT). 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 receivables.

Pursuant to Legislative Decree No. 141/2010 which modified article 3, paragraph 3, of Law 130, the Issuer is not any longer requested to be registered as financial intermediary under article 106 of the Banking Act while it is enrolled in the register for securitization vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011. 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 NOTES

2.1 Liability under the Notes

The 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 Quotaholders, the Noteholders will not have any recourse to the assets securing such notes. The Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Arranger, the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Security Trustee, the Transaction Bank, the English Transaction Bank, the Servicers, the Security Trustee, the Subscribers, the Irish Paying Agent, the Corporate Services Provider, the Computation Agent, the Principal Paying Agent or the Stichting Corporate Services Provider. 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 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: **(a)** the Class A1 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BCC Fornacette Pre-Acceleration Order of Priority; **(b)** the Class B1 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A1 Notes in accordance with the BCC Fornacette Pre-Acceleration Order of Priority; **(c)** the Class A2 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BCC Castagneto Pre-Acceleration Order of Priority; and **(d)** the Class B2 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A2 Notes in accordance with the BCC Castagneto Pre-Acceleration Order of Priority; **(e)** the Class A3 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BP Lajatico Pre-Acceleration Order of Priority; and **(f)** the Class B3 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A3 Notes in accordance with the BP Lajatico Pre-Acceleration Order of Priority.

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 Rated Notes will rank *pari passu* and without any preference or priority among themselves and the Class B Notes will

rank pari passu and without any preference or priority among themselves but will be subordinated to the Rated Notes in accordance with the Acceleration Order of Priority. No repayment of principal will be made on any Class of Notes until all principal due on each Class of Notes ranking in priority thereto has been paid.

2.3 Yield and payment considerations

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

The yield to maturity of the 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 weighted average life of the Rated 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 Noteholders are 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.

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 Rated Notes, may have different fixing mechanism and may be capped to a certain maximum level), whilst the Rated Notes will bear interest at a rate based on the Three Month EURIBOR or on the Six Month EURIBOR, as the case may be, 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 Rated Notes and on the Portfolios. As a result of such mismatch, an increase in the level of the Three Month EURIBOR or on the Six Month EURIBOR, as the case may be, could adversely impact the ability of the Issuer to make payments on the Rated Notes.

2.6 Limited nature of credit ratings assigned to the Rated Notes

Each rating assigned by the Rating Agencies is 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, among others, the following:

- the possibility of the imposition of Italian or European withholding tax; or
- the marketability of the Rated Notes, or any market price for the Rated Notes; or
- whether an investment in the Rated Notes is a suitable investment for the Noteholder.

A rating is not a recommendation to purchase, hold or sell the Rated Notes.

The Rating Agencies may lower their ratings or withdraw their ratings if, in the sole judgment of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. If any rating assigned to the Rated Notes is lowered or withdrawn, the market value of the Rated Notes may be affected.

2.7 Suitability

Prospective investors should determine whether an investment in the Rated 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 Rated Notes and to arrive at their own evaluation of the investment.

Investment in the Rated 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 Rated 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 Rated Notes; and
4. recognise that it may not be possible to dispose of the Rated Notes for a substantial period of time, if at all.

Prospective investors in the Rated Notes should make their own independent decision whether to invest in the Rated Notes and whether an investment in the Rated 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 Rated Notes should not rely on or construe any communication (written or oral) of the Issuer or the Originators or the Servicers or the Arranger as investment advice or as a recommendation to invest in the Rated 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 Rated Notes.

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

2.8 Absence of secondary market

There is not at present an active and liquid secondary market for the Rated Notes. The Rated

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 Rated 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 Rated Notes will develop, or, if a secondary market does develop in respect of any of the Rated Notes, that it will provide the holders of such Rated Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Rated Notes. Consequently, any purchaser of Rated Notes must be prepared to hold such Rated Notes until the final redemption or cancellation.

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)** if there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified.

2.10 Substitute Tax under the Notes

Payments of interest and other proceeds under the 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 Notes of any Class will receive amounts of interest payable on the Notes net of a Law 239 Deduction. Law 239 Deduction, if applicable, is levied at the rate of 20 per cent. or such lower rate as may be applicable under the relevant double taxation treaty.

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 Notes, the Issuer will not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts the 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.

2.11 EU Directive on the taxation of savings income

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to

information exchange with certain Third Countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures.

Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree, subject to a number of important conditions being met, with respect to interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another EU Member State or in a dependent or associated territory under the relevant international agreement, Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information of the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

The same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date.

2.12 Change of law

The structure of the transaction and, *inter alia*, the issue of the Notes and the rating assigned to the Rated 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 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 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.

These factors include the following: proceedings in certain courts involved in the enforcement of mortgage loans and mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two (2) or three (3) years. For the Republic of Italy as a whole, it takes an average of six (6) to seven (7) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any assets. 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 Prospectus, 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 Real estate investments

All the Mortgage Loans are secured by real estate assets and subject to the risks inherent in investments in or secured by real property, which has not been revaluated for the purposes of the Transaction. 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 Mortgage Loans, and consequently, the amount available to make payments on the Notes.

3.3 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 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, prepayments made by a Borrower (to the extent the same is subject to the Bankruptcy Law) under the relevant Loan Agreement may be declared ineffective pursuant to

article 65 of the Bankruptcy Law (“**Article 65**”) which provides that a payment of a debt not yet due and payable, which falls due and payable on or after the date of declaration of bankruptcy of a debtor is ineffective towards the creditors of the bankruptcy estate if such payment is made by the debtor in the two -years preceding the declaration of bankruptcy (including, accordingly, any prepayments made under a loan agreement).

While Law 130 provides that claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by the assigned debtors to the Issuer in respect of the securitised Claims, it does not contain any specific exemption provisions in respect of Article 65.

However according to the judgment by the Court of Verbania dated 13 August 1999 (published in “*Il Fallimento*”, 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw-back action provided for by Article 65, because the ultimate consequence of the declaration of ineffectiveness of payments under Article 65 is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgement No. 20005/2005, the “*injustice of turning a secured claim into a non-secured claim*”.

In this regard, it has to be noted that a recent case from the Italian Supreme Court (judgment no. 19978 of July 18th 2008 specifically regarding the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*)) has stated that Article 65 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 (as set forth by the provisions regulating the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*)). Consequently, based on the above court decision, payments received under the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*) included in the Portfolios would not be subject to claw back under Article 65.

More in general, with respect to the insolvency proceedings, due to the complexity of these procedures the time involved and the possibility for challenges and appeals by the debtor and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of outstanding amounts under the Loans or that such proceedings would be concluded before the stated maturity of the Notes. For further details see section headed “*Selected Aspects of Italian Law*”.

3.4 Insurance Policies

The Claims sold by each of the Originators include also the claims arising from the benefits and rights deriving from any Insurance Policies entered into with respect to the Claims, if any. Please refer to the sections entitled “*Description of the Transfer Agreements*” and “*Description of the Warranty and Indemnity Agreement*”.

Under the Warranty and Indemnity Agreement, each of the Originators has warranted that the Insurance Policies (where stipulated) name the relevant Originator either as the direct or indirect

beneficiary of any indemnity to be paid thereunder (the “**Indemnities**”), or as a beneficiary of an appendix (*appendice di vincolo*) granting to it the right to receive the relevant Indemnities. Pursuant to the Transfer Agreements, the benefits and rights deriving from any Insurance Policies are transferred to the Issuer.

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

3.5 Italian Usury Law

Italian Law No. 108 of 7 March 1996 (“*Disposizioni in materia di usura*”) (the “**Usury Law**”) introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the “**Usury Thresholds**”) (the latest of such decrees having been issued on 21 December 2012).

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 at the time when the loan agreement or any 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 the relevant Originator. See the section headed “*Description of the Warranty and Indemnity Agreement*”.

3.6 Compounding of interest (*anatocismo*)

According to article 1283 of the Italian Civil Code, in respect of a monetary claim, interests accrued for at least six months can be capitalized and provided that the capitalization has been agreed after the date when they have become due or from the date when the relevant legal proceedings are commenced in respect of that monetary claim, save there are no contrary recognized customary practices (*usi*). Banks in Italy have traditionally capitalized accrued interests on a quarterly basis on the grounds that such practice could be characterized as a customary practices. Certain recent judgments from Italian Courts (including Judgments No. 2374/99 and No. 2593/03 of the Italian Supreme Court) have held that such practice do not meet the legal definition of customary practices. In this respect, it should be noted that article 25, paragraph 2, of the Decree No. 342 (the “**Decree**”) has delegated to the Interministerial Committee of Credit and Saving (the “**CICR**”) powers to fix the conditions for the capitalization of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a Resolution dated 9 February 2000 (the “**Resolution**”), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of the Decree provides that the provisions relating to the capitalization of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Such Decree has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the Legge Delega, and article 25 paragraph 3 of the Decree has been declared unconstitutional by decision No. 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

With respect to this matter, a recent ruling dated 29 October 2008 by the Court of Bari (honorary judge of the detached office of Rutigliano) 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.

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”.

3.7 Warranty as to the Existence of the Claims

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

As of the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by Italian governmental or regulatory authorities; therefore, it is possible that further regulations, relating to the Securitisation Law or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus.

3.10 *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. For further details see section headed “*Selected aspects of Italian law - Mutui fondiari*”.

3.11 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 and that the Issuer may not be able to recover the prepayment fees in the amount originally agreed with the Borrowers.

3.12 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 thirty 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 Notes.

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

On 3 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 30 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 prior to 30 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 extended the date prior to 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 securitized claims.

Furthermore, 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 21 December 2012, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 31 March 2013.

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 Notes, cannot be predicted.

The Originators have acceded to the New PMI Convention.

3.14 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 Representative of the Noteholders (acting as 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 Representative of the Noteholders 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 Representative of the Noteholders to the proceeds of enforcement of such security. In addition, the expenses of an administration would also rank ahead of the claims of the Representative of the Noteholders as floating charge holder.

A receiver appointed by the Representative of the Noteholders would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Secured Creditors (including 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 Representative of the Noteholders was 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 Representative of the Noteholders 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 Representative of the Noteholders 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.

3.15 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.

3.16 Class A Notes as eligible collateral for ECB liquidity and/or open market transaction

After the Issue Date an application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank (ECB) on September 2011 (*The implementation of monetary policy in the Euro area*) and on August 2012 (*Additional temporary measures relating to Eurosystem refinancing operation and eligibility of collateral*), as subsequently amended and 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 Class A Notes for the above purpose prior to their issuance and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

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

3.17 Regulatory Capital Framework

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

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as “**Basel III**”), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the “**Liquidity Coverage Ratio**” and the “**Net Stable Funding Ratio**”). Member countries will be required to implement the new capital standards from January 2013, 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 the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as “**CRD IV**”) have been presented on 20 July 2011. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to 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.

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

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

In particular, in Europe, investors should be aware of Article 122a of the Capital Requirements Directive (“**Article 122a**”) which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate 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. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors 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 Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Article 122a of the Capital Requirements Directive and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

With respect to the fulfillment by the Originators of the requirements of the Article 122a please refer to section headed “*Compliance with Article 122a of the CRD*”.

3.19 Macro-risks in the European Union

Global markets and economic conditions have been negatively impacted in 2010 and 2011 by market perceptions regarding the ability of certain EU member states to service their sovereign debt obligations. As a result of the credit crisis in the EU, monetary and political conditions and stability remain uncertain in the EU, in particular, in a number of the euro-zone members, including Greece, Italy, Ireland, Portugal and Spain. In particular concerns persist regarding the debt burden of certain Eurozone Countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time.

In addition these potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes or have other unforeseen consequences relevant to the Noteholders. These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market’s anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of the parties to the Transaction. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations. These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

3.20 U.S. Foreign Account Tax compliance Act withholding

The U.S. Foreign Account Tax Compliance Act (“**FATCA**”) generally imposes a new reporting regime and potentially a 30.00 per cent withholding tax with respect to certain payments to certain non-U.S. financial institutions (including entities such as the Issuer) that do not 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. The new withholding regime will be phased in

beginning in 2014.

In particular, this 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 application of FATCA is not yet clear and therefore is unclear how the FATCA reporting and withholding regime may affect interest, principal or other amounts due under the Notes or any payment to be made by any paying agent or any other Party to this Transaction. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest or principal on the 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 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 Notes or any other payments to be made by the Parties to this Transaction.

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

THE PRINCIPAL PARTIES

ISSUER	Pontormo SME S.r.l. , a limited liability company incorporated under article 3 of the Law 130, fiscal number and Register of Companies No. 06272010486, paid-in share capital equal to Euro 10,000.00, enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011 with No. 35059.5, whose registered office is located in Empoli.
ORIGINATORS	Banca di Credito Cooperativo di Fornacette S.c.p.a. , a bank incorporated in Italy as a <i>società cooperativa per azioni</i> , registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 00179660501, whose registered office is at Via Tosco Romagnola 101/A, Fornacette (PI) (" BCC Fornacette "). Banca Popolare di Lajatico S.c.p.a. , a bank incorporated in Italy as a <i>società cooperativa per azioni</i> , registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 00139860506, whose registered office is at Via G. Guelfi 2, Lajatico (PI) (" BP Lajatico "). Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a. , a bank incorporated in Italy as a <i>società cooperativa per azioni</i> , registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 00149160491, whose registered office is at Via Vittorio Emanuele 44, Castagneto Carducci (LI) (" BCC Castagneto ").
AGENT BANK	The Bank of New York Mellon, (Luxembourg) S.A., Italian Branch , a company incorporated under the laws of the Grand Duchy of Luxembourg, acting through its Italian branch, having its registered office at Via Carducci, 31, 20123, Milan, Italy, (" BNYM, Italian Branch "), as agent bank, or any other person from time to time acting as Agent Bank.
OPERATING BANK	Invest Banca S.p.A. , a bank incorporated in Italy as a <i>società per azioni</i> , with paid-in share capital of Euro 15,300,000.00, enrolled with the Companies Register of Firenze, Italy, under No. 02586460582, registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 5341, whose registered office is at Via L. Cherubini, 99, Empoli (FI), Italy (" Invest Banca ") or any other person from time to time acting as Operating Bank.
TRANSACTION BANK	BNYM, Italian Branch , as transaction bank, or any other person from time to time acting as Transaction Bank.
ENGLISH TRANSACTION BANK	The Bank of New York Mellon , a New York banking corporation acting

through its London branch, whose principal place of business is at One Canada Square, London E14 5AL, United Kingdom (“**BNYM, London**”) as English transaction bank, or any other person from time to time acting as English Transaction Bank.

PRINCIPAL PAYING AGENT

BNYM, Italian Branch, or any other person from time to time acting as Principal Paying Agent.

REPRESENTATIVE OF THE NOTEHOLDERS

KPMG Fides Servizi di Amministrazione S.p.A., a joint stock company incorporated in Italy as a *società per azioni*, enrolled with the Companies Register of Milano, Italy, under No. 00731410155, whose registered office is at Via Vittor Pisani 27, Milano (MI), Italy, acting through its office in Rome, at Via Eleonora Duse, 53 (“**KPMG**”) or any other person from time to time acting as Representative of the Noteholders.

SERVICERS

BCC Fornacette, BP Lajatico and BCC Castagneto, or any other person from time to time acting as Servicers.

CORPORATE SERVICES PROVIDER

Cabel Holding S.p.A., a joint stock company incorporated in Italy as a *società per azioni*, enrolled with the Companies Register of Firenze, Italy, under No. 04492970480, whose registered office is at Via L. Cherubini, 99, Empoli (FI), Italy (“**Cabel Holding**”), or any other person from time to time acting as Corporate Services Provider.

QUOTAHOLDERS

(i) **Stichting Wavaburg**, a foundation (*Stichting*) incorporated under the laws of the Netherlands and having its registered office at 24 Claude Debussylaan, 1082MD 24 Amsterdam, The Netherlands, and enrolled at the Chamber of Commerce of Amsterdam at No. 55248624; and
(ii) **Cabel Holding**.

CASH MANAGER

BNYM, London, or any other person from time to time acting as Cash Manager.

COMPUTATION AGENT

KPMG, or any other person from time to time acting as Computation Agent.

IRISH PAYING AGENT

The Bank of New York Mellon SA/NV, Dublin Branch, a banking corporation organised pursuant to the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin Branch (registered in Ireland with branch number 907126) and having its registered branch office at Hanover Building, Windmill Lane, Dublin 2, Ireland. The Principal Paying Agent and the Irish Paying Agent are collectively referred to as the “**Paying Agents**”.

SECURITY TRUSTEE

KPMG, or any other person from time to time acting as Security Trustee.

BACK-UP SERVICERS

- (i) with respect to BP Lajatico, BCC Fornacette, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BCC Castagneto;
- (ii) with respect to BCC Castagneto, BCC Fornacette, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BP Lajatico; or
- (iii) with respect to BCC Fornacette, BP Lajatico, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BCC Castagneto; or
- (iv) in case an insolvency event occurs in respect of any of the Originators (or in case of merger among two or more of the Originators), 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 9.1.4 of the Servicing Agreement in case an insolvency event occurs in respect of any of the Originators (or in case of merger among two or all the Originators) and which must be an entity different from the Originators.

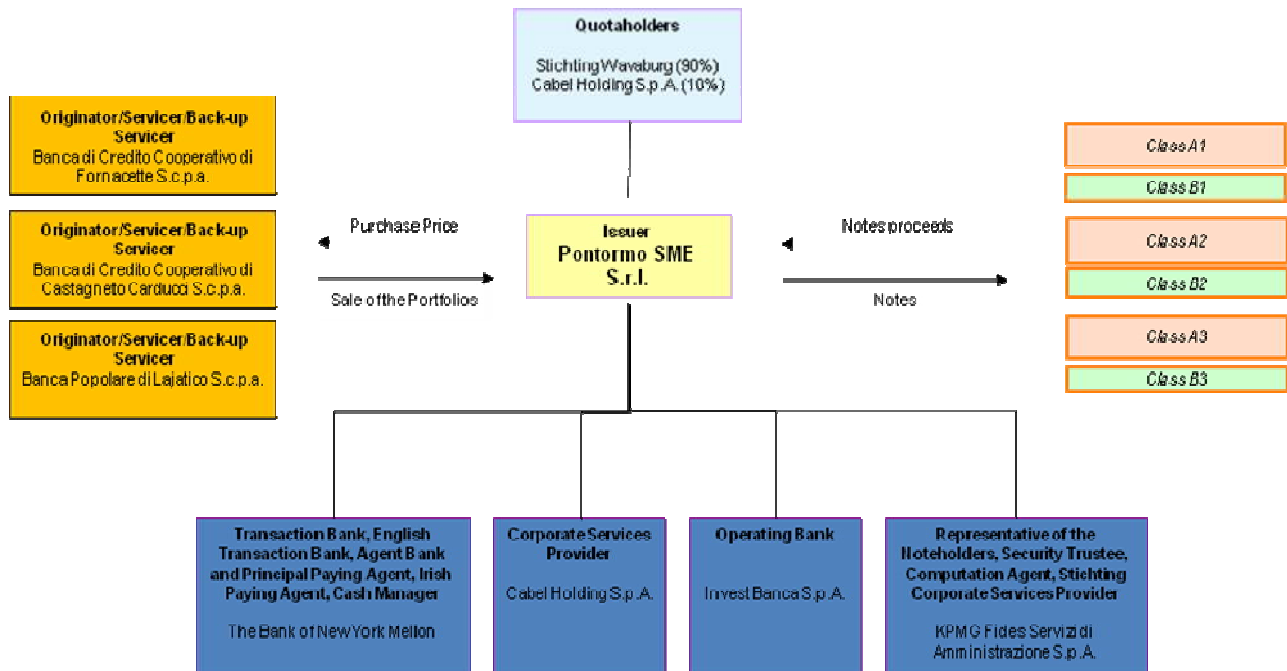
STICHTING CORPORATE SERVICES PROVIDER

KPMG, or any other person from time to time acting as Stichting Corporate Services Provider.

ARRANGER

Banca Akros S.p.A., a bank incorporated in Italy as a *società per azioni*, having its registered office at Viale Eginardo 29, 20149 Milan, Italy, with paid-in share capital of Euro 39,433,803, registered with the Companies' Register of Milan under number 03064920154 and with the register of banks held by the Bank of Italy under number 5328, participant to the banking group “Bipiemme - Banca Popolare di Milano”, subject to the activity of management and coordination (“*attività di direzione e coordinamento*”) of Banca Popolare di Milano S.c.a.r.l., authorised to carry out business in Italy pursuant to the Consolidated Banking Act (“**Banca Akros**”) or any other person from time to time acting as Arranger.

TRANSACTION DIAGRAM



THE PORTFOLIOS

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

Each Portfolio has been selected on the basis of the relevant criteria set out below.

SELECTION CRITERIA OF THE CLAIMS

The Claims included in the Portfolios as at the Valuation Date, (or the different date specified in the relevant criterion) must meet the following general criteria (the “**General Criteria**”) as well as the further specific objective criteria (the “**Specific Criteria**”) as set out for each Originator below, in order to ensure that the 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 do not provide for the possibility to switch into a different currency;
- (b) Loans deriving from Loan Agreements governed by Italian law;
- (c) Loans whose Borrowers are resident (if individuals) or incorporated (if legal entities) in the Republic of Italy;
- (d) Loans in relation to which at least one Instalment (including principal and/or interest quota) has been paid;

excluding:

- (i) loans whose relevant borrower, in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*), fall within the SAE activity sectors (*Settore di Attività Economica*) No. 600 (*Famiglie Consumatrici*);
- (ii) loans having the maturity date falling after the 30 June 2070 (including loans providing for a fixed installment amount and a variable duration, in relation to which maturity date means the maximum date of extension of the amortization plan of the relevant loan);
- (iii) loans deriving from loan agreements entered into pursuant to any law, rule or regulation providing for interest or principal quota financial facilitations of any kind, granted by a third party in favour of the relevant borrower (so-called "*mutui agevolati*" or "*mutui convenzionati*");
- (iv) loans disbursed with funding made available by Cassa Depositi e Prestiti S.p.A.;
- (v) loans granted by means the intermediation of agents or brokers;
- (vi) loans granted to persons qualified as directors or employees of the relevant Originator;

- (vii) loans granted to public entities (*pubbliche amministrazioni*), *fondazioni*, *associazioni* or religious entities (*enti religiosi*);
- (viii) loans disbursed by a group of banks/credit institutions organized “in pool” (including the Originators) or which have been subject to syndication;
- (ix) loans which are not fully disbursed pursuant to the relevant loan agreement;
- (x) loans secured by a mortgage on real estate asset which is not entirely built;
- (xi) loans granted to borrowers which as at the Valuation Date have towards the Originators: (a) impaired items (*partite incagliate*) (as defined in the section B, paragraph 2 of the circular letter no. 272 issued by Bank of Italy on 30 July 2008 (*Matrice dei Conti*), as subsequently amended); or (b) persistent breach of covenants (*inadempimenti persistenti*) (meaning those claims in respect of which there are one or more late payments of the instalments which have remained unpaid for more than 90 (ninety) days from its scheduled payment date);
- (xii) loans deriving from loan agreements which, as at the Valuation Date, have due and unpaid instalments for more than 90 (ninety) days;
- (xiii) loans deriving from loan agreements which, as at the 31 December 2012, have due and unpaid instalments for more than 30 (thirty) days;
- (xiv) loans whose claims are classified as at the Effective Date or have been classified prior to the Effective Date by the Originators as “defaulted claim” (*crediti in sofferenze*), “impaired claim” (*crediti incagliati*), “restructured exposure” (*esposizioni ristrutturate*) or as “expired exposure and/or due exposure due for more than 90 days” (*esposizioni scadute e/o sconfinanti da oltre 90 giorni*) by the Originators pursuant to the applicable Bank of Italy regulations.

The Specific Criteria with reference to the the BCC Fornacette Portfolio are as follows:

- (A) Loans deriving from Loan Agreements which provide for a “French” reimbursement plan, *id est* a progressive reimbursement plan pursuant to which each Instalment has a capital amount which has a regular increase in order to reimburse the loan and an interest amount;
- (B) Loans deriving from Loans Agreement disbursed before the 27 July 2012 which have (on the basis of the amortization plan of the relevant Loan as at the 31 August 2012) the maturity date falling later than the 7 January 2013;
- (C) Loans deriving from Loan Agreements which alternatively provide for (a) a floating interest rate indexed to one of the following parameters: (a) Euribor 1 month or (ii) Euribor 3 months or (iii) Euribor 6 months; or (b) a fixed interest rate.

excluding:

- (I) loans identified by the category No. 17, as indicated in the relevant loan agreement;
- (II) loans identified by the following report numbers, as indicated in the relevant loan agreement: No. 10016078; No. 10016363; No. 10018686; No. 10019043; No. 10019500; No. 10019020; No. 10018194; No. 10017565; No. 10012941; No. 10012862; No. 10004964; No. 10014646; No. 10017315; No. 10012141; No. 10016772; No. 10017673; No. 10005952; No. 10016318;

No. 10012438; No. 10017509; No. 10011891; No. 10008399; No. 10009199; No. 10012048;
No. 10012047; No. 10010834; No. 10009701; No. 10009103; No. 10853600; No. 10012049;
No. 10741901; No. 10015032; No. 10008513; No. 10015532; No. 10014080; No. 10014226;
No. 10017581; No. 10006965; No. 10013676; No. 10014856; No. 10013105; No. 10014022;
No. 10016854; No. 10012655; No. 10011466; No. 10016182; No. 10015314; No. 10015454;
No. 10011160; No. 10015550; No. 10017620; No. 10017141; No. 10011894; No. 10010186;
No. 10013413; No. 10016546; No. 10011774; No. 10008619; No. 10017380; No. 10007829;
No. 10009888.

The Specific Criteria with reference to the the BP Lajatico Portfolio are as follows:

- (A) Loans deriving from Loan Agreements which provide for a “French” reimbursement plan, *id est* a progressive reimbursement plan pursuant to which each Instalment has a capital amount which has a regular increase in order to reimburse the loan and an interest amount (including the Loans with a variable duration, a floating interest rate and Instalments with fixed initial amount, which provides alternatively, in case of an increase of the interest rate that would cause the impossibility to reimburse of such Loan within the date of maximum extension of the reimbursement plan provided by the Loan Agreement: (a) a final higher Instalment (“*maxi rata finale*”) or (b) the right of the Borrower, on the maximum maturity date agreed, to choose to reimburse the outstanding debt to the Originator by means of one of the following modalities: (i) reimbursement in a single instalment of the whole outstanding debt at the elapsing of the fortieth year (plus the pre-reimbursement period) from the disbursement date of the relevant Loan; or (ii) reimbursement in further maximum ten years, according to a reimbursement plan calculated at an interest rate contractually agreed);
- (B) Loans deriving from Loans Agreement disbursed before the 21 August 2012 which have (on the basis of the amortization plan of the relevant Loan as at the 31 August 2012) the maturity date falling later than the 30 December 2012;
- (C) Loans that, if disbursed to a Borrower which in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 (as subsequently amended and supplemented), fall within the SAE activity sectors No. 430 (*Imprese produttive*), have a disbursed amount as at the relevant disbursement date lower than Euro 4,500,000.00 (four million and five hundred thousand/00);
- (D) Loans deriving from Loan Agreements which alternatively provide for (a) a floating interest rate indexed to one of the following parameters: (a) Euribor 1 month or (ii) Euribor 3 months or (iii) Euribor 6 months or (iv) the ECB Interest Rate or (v) the monthly interest rate of the industry and commerce sectors; or (b) a fixed interest rate.

excluding:

- (i) loans identified by the following report numbers, as indicated in the relevant loan agreement:
No. 30072330; No. 30072331; No. 20074900; No. 20075826; No. 20076468; No. 20076762;
No. 20076978; No. 20077053; No. 20077089; No. 20077097; No. 20077130; No. 30076276;
No. 30076564; No. 30076806; No. 30076880; No. 30076994; No. 30077035; No. 30077036;
No. 30077037; No. 30077039; No. 30077041; No. 30077058; No. 30077076; No.40075233;
No. 40075245; No. 20071259; No. 30072433; No. 20070262; No. 20074528; No. 30072984;
No. 30073097; No. 30073744; No. 40070405; No. 40073344; No. 40074691; No. 20072125;
No. 20072231; No. 20072364; No. 20072367; No. 20072186; No. 20074575; No. 20075262;

No. 20075936; No. 30072948; No. 30074154; No. 30074564; No. 30074565; No. 30074765; No. 30075066; No. 30075242; No. 30077264; No. 40072317.

The Specific Criteria with reference to the the BCC Castagneto Portfolio are as follows:

- (A) Loans deriving from Loan Agreements which alternatively provide for:
- (x) a “French” reimbursement plan, *id est* a progressive reimbursement plan pursuant to which each Instalment has a capital amount which has a regular increase in order to reimburse the loan and an interest amount (including the Loans with a variable duration, a floating interest rate and Instalments with fixed initial amount, which provides, in case of an increase of the interest rate that would cause the impossibility to reimburse the Loan within the date of maximum extension of the reimbursement plan provided by the Loan Agreement a final higher Instalment (“*maxi rata finale*”) – including those Loans which provide for (i) the variation, at predetermined intervals, of the amount of the Instalments which are in the amortization period, and (ii) the right for the Borrower, for no more than three times during the whole duration of the Loan, to ask the Originator for the variation of the amount of the Instalments which are in the amortization period; or
 - (y) a “bullet” reimbursement plan providing for instalments composed only by the sole Interest Instalment except for the final Instalment composed by the Interest Instalment and the Principal Instalment.
- (B) Loans deriving from Loans Agreement disbursed before the 29 August 2012 which have (on the basis of the amortization plan of the relevant Loan as at the 31 August 2012) the maturity date falling later than the 5 January 2013;
- (C) Loans that if guaranteed by a Mortgage, (a) are secured by first economic Mortgage priority in favour of the Originator (meaning: (i) a first legal mortgage priority, or (ii) a mortgage having a priority subsequent to first legal priority and in relation to which obligations, guaranteed by mortgage/mortgages with prevailing priority, have been fully satisfied, or (iii) mortgages having a priority subsequent to first legal priority in case all the mortgages with prevailing priority are registered in favour of the Originator as a security for claims which satisfy all other Criteria relevant to the Originator), or (b) are secured by a Mortgage having a second economic priority in favour of the Originator (meaning a Mortgage in relation to which there is one only mortgage with prevailing priority (whose guaranteed obligations have not been fully satisfied) and have not been transferred to the Issuer under the relevant Transfer Agreement);
- (D) Loans that, if disbursed to a Borrower which in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 (as subsequently amended and supplemented), fall within the SAE activity sectors No. 614 (*Artigiani*), have a disbursed amount as at the relevant disbursement date lower than Euro 650,000.00 (six hundred and fifty thousand/00);
- (E) Loans deriving from Loan Agreements which alternatively provide for (a) a floating interest rate indexed to one of the following parameters: (a) Euribor 1 month or (ii) Euribor 6 months; or (b) a fixed interest rate.

excluding:

- (I) loans identified by the category No. 81, as indicated in the relevant loan agreement;
- (II) loans identified by the following report numbers, as indicated in the relevant loan agreement:
 No. 10357028; No.10357198; No.10357469; No.10358295; No.10358497; No.10358910;
 No.10359109; No.10359236; No.10359526; No.10359460; No.10359914; No.10357962;
 No.10360052; No.10360092; No.10360091; No.10360264; No.10360068; No.10360123;
 No.10360102; No.10360356; No.10360373; No.10360387; No.10360523; No.10360712;
 No.10360430; No.10360747; No.10360658; No.10360796; No.10360806; No.10361004;
 No.10358595; No.10359588; No.10359951; No.10359876; No.10360522; No.10356204;
 No.10356205; No.10357268; No.10347526; No.10357524; No.10351924; No.10360213;
 No.10351327; No.10353885; No.10357841; No.10357923; No.10357331; No.10358972;
 No.10359479; No.10352837; No.10351394; No.10350477; No.10349501; No.10352572;
 No.10352164; No.10357174; No.10360278; No.10464867; No.10463067; No.10347795;
 No.10348275; No.10352755; No.10355680; No.10357295; No.10357969; No.10360553;
 No.10360908; No.10360909; No.10360910; No.10360911; No.10360912; No.10360913;
 No.10360914; No.10360915; No.10360916; No.10360917; No.10360919; No.10360921;
 No.10360923; No.10360924; No.10360925; No.10360926; No.10360927; No.10360928;
 No.10360929; No.10360930; No.10360907; No.10360918; No.10360920; No.10360922;
 No.10352589; No.10352974; No.10352946; No.10355221; No.10355236; No.10355237;
 No.10355238; No.10355792; No.10356413; No.10356388; No.10356490; No.10356973;
 No.10357419; No.10357713; No.10357329; No.10357940; No.10358883; No.10360077;
 No.10359962; No.10352252; No.10351368; No.10353045;
- (III) loans that if granted to Borrower which falls within the SAE activity sectors No. 614 (*Artigiani*) and No. 615 (*Altre famiglie produttrici*) in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*), have been secured by a mortgage on one or more real estate asset located in the Republic of Italy and in relation to which the relevant real estate asset secured by such mortgage (or, in case of loans secured by one or more mortgages on more than one real estate asset, the real estate asset having the higher valuation as resulting from a survey) is a residential real estate asset (meaning that its cadastral category (*categoria catastale*) falls within “Group A1 – A8”).

Furthermore, the parties have acknowledged under the relevant Transfer Agreement that the followings exclusion Specific Criteria:

- (I) with respect to BCC Lajatico;
- (II) with respect to BCC Fornacette; and
- (II) with respect to BCC Castagneto,

respectively excludes the loans whose relevant borrower, as at the Effective Date, is identified with the rating “DEF” assigned to such borrower by the internal rating model of the relevant Originator.

The following tables describe the characteristics of the Portfolios compiled from information provided by the Originators in connection with the acquisition of the Claims by the Issuer on 18 February 2013. The information in the following tables reflects the position as at 30th Novembre 2012. The characteristics of the Portfolios as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment or repurchase of the Loans prior to the Issue Date (in relation to the real property backing the

Claims, there has been no revaluation of such properties for the purpose of the issue of the Notes and the valuation quoted are as at the date of the original initial mortgage loan origination).

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

Statistical information regarding the Portfolios

Initial Principal Portfolio Summary as of 30th November 2012 (Effective Date)

Current Balance	EUR	375,873,044
Original Balance	EUR	525,478,266
Average Current Balance	EUR	103,064
Average Original Balance	EUR	144,085
Max Current Balance loan	EUR	2,808,177
Max Original Balance loan	EUR	3,800,000
Mortgage/Unsecured loan (%)	%	73.50 / 26.50
Number of Loans	Number	3647
Number of Borrowers	Number	3077
Weighted Average Seasoning	Years	3.13
Weighted Average Residual Term	Years	10.40
Weighted Average Current LTV (1) (2)	%	46.97
Weighted Average Original LTV (2)	%	56.47
Weighted Average Interest Rate of Fixed Rate Loans (3)	%	5.99
Weighted Average Margin of Floating Rate Loans (4)	%	2.05
Weighted Average Margin of Modular Loans when at Fixed Rate (5)	%	2.17
Weighted Average Margin of Modular Loans when at Floating Rate (6)	%	2.06
Top Borrowers		
Top 1	%	0.89
Top 10	%	6.72
Top 20	%	11.29
Top 50	%	21.21

Notes:

(1) The Weighted Average Current LTV is calculated considering the valuation of the asset as of the origination date.

(2) In case of more than one loan backed by the same property, the LTV has been calculated considering the pro rata property value.

In case of a single loan backed by more than one property, the LTV has been calculated considering the aggregate value of such properties

(3) The Weighted Average Interest Rate of Fixed Rate Loans is calculated excluding a) Modular Loans currently at Fixed Rate, and b) Entry Fixed Rate Loans which are at Fixed Rate as of the Effective Date and which, after a certain period, will switch to Floating for the residual life.

(4) The Weighted Average Margin of Floating Rate Loans is expressed over the relevant reference rate for Floating Rate Loans and Entry Fixed Rate Loans after the switch to floating. Modular Loans are excluded from the calculation

(5) The Weighted Average Margin of Modular Loans when at Fixed Rate includes all the Modular Loans currently either at Fixed or Floating Rate

(6) The Weighted Average Margin of Modular Loans when at Floating Rate includes all the Modular Loans currently either at Fixed or Floating Rate

Breakdown by Initial Principal Portfolio

Portfolios	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
BCC Fornacette unsecured loans	886	24.29%	32,325,811	8.60%	55,269,351	10.52%
BCC Fornacette mortgage loans	398	10.91%	104,962,163	27.92%	133,824,473	25.47%
BCC Fornacette Portfolio	1284	35.21%	137,287,975	36.53%	189,093,824	35.99%
BCC Castagneto unsecured loans	934	25.61%	38,625,777	10.28%	59,446,789	11.31%
BCC Castagneto mortgage loans	361	9.90%	86,984,122	23.14%	114,078,011	21.71%
BCC Castagneto Portfolio	1295	35.51%	125,609,899	33.42%	173,524,800	33.02%
BP Lajatico unsecured loans	736	20.18%	28,663,358	7.63%	50,709,232	9.65%
BP Lajatico mortgage loans	332	9.10%	84,311,812	22.43%	112,150,409	21.34%
BP Lajatico Portfolio	1068	29.28%	112,975,170	30.06%	162,859,641	30.99%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Loan Type

Loan Type	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Unsecured loans	2556	70.09%	99,614,947	26.50%	165,425,372	31.48%
Mortgage loans	1091	29.91%	276,258,097	73.50%	360,052,893	68.52%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Current Loan Balance

Current Loan Balance (EUR)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0 - 100,000	2693	73.84%	73,898,919	19.66%	138,048,315	26.27%
100,000 - 200,000	477	13.08%	68,033,366	18.10%	93,028,057	17.70%
200,000 - 300,000	195	5.35%	47,525,744	12.64%	59,495,387	11.32%
300,000 - 400,000	83	2.28%	28,974,596	7.71%	37,432,697	7.12%
400,000 - 500,000	46	1.26%	20,448,038	5.44%	27,237,520	5.18%
500,000 - 600,000	42	1.15%	22,971,483	6.11%	28,101,557	5.35%
600,000 - 700,000	27	0.74%	17,426,484	4.64%	23,958,517	4.56%
700,000 - 800,000	21	0.58%	15,475,508	4.12%	20,846,827	3.97%
800,000 - 900,000	6	0.16%	5,066,340	1.35%	6,360,000	1.21%
900,000 - 1,000,000	14	0.38%	13,343,417	3.55%	15,778,510	3.00%
1,000,000 - 1,100,000	8	0.22%	8,204,669	2.18%	10,438,806	1.99%
1,100,000 - 1,200,000	8	0.22%	9,090,707	2.42%	10,750,000	2.05%
1,200,000 - 1,300,000	5	0.14%	6,391,257	1.70%	7,269,650	1.38%
1,300,000 - 1,400,000	6	0.16%	8,211,506	2.18%	9,432,423	1.80%
1,400,000 - 1,500,000	2	0.05%	2,897,865	0.77%	3,000,000	0.57%
1,500,000 - 1,600,000	3	0.08%	4,606,672	1.23%	5,600,000	1.07%
1,600,000 - 1,700,000	1	0.03%	1,699,378	0.45%	3,800,000	0.72%
1,800,000 - 1,900,000	2	0.05%	3,719,611	0.99%	4,450,000	0.85%
1,900,000 - 2,000,000	2	0.05%	3,902,012	1.04%	4,300,000	0.82%

2,000,000 - 2,100,000	1	0.03%	2,054,162	0.55%	2,300,000	0.44%
2,100,000 - 2,200,000	3	0.08%	6,509,680	1.73%	7,100,000	1.35%
2,600,000 - 2,700,000	1	0.03%	2,613,453	0.70%	3,000,000	0.57%
2,800,000 - 2,900,000	1	0.03%	2,808,177	0.75%	3,750,000	0.71%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Original Loan Balance

Original Loan Balance (EUR)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0 - 100,000	2298	63.01%	47,792,889	12.72%	78,297,777	14.90%
100,000 - 200,000	629	17.25%	60,412,939	16.07%	83,811,037	15.95%
200,000 - 300,000	258	7.07%	44,505,961	11.84%	59,700,176	11.36%
300,000 - 400,000	142	3.89%	33,749,643	8.98%	45,504,410	8.66%
400,000 - 500,000	73	2.00%	22,604,370	6.01%	31,191,291	5.94%
500,000 - 600,000	69	1.89%	22,631,873	6.02%	35,504,571	6.76%
600,000 - 700,000	37	1.01%	17,914,640	4.77%	23,044,165	4.39%
700,000 - 800,000	30	0.82%	16,776,030	4.46%	21,744,202	4.14%
800,000 - 900,000	18	0.49%	12,023,157	3.20%	14,758,534	2.81%
900,000 - 1,000,000	11	0.30%	6,782,775	1.80%	10,112,000	1.92%
1,000,000 - 1,100,000	21	0.58%	14,536,135	3.87%	21,129,424	4.02%
1,100,000 - 1,200,000	9	0.25%	6,876,782	1.83%	10,014,800	1.91%
1,200,000 - 1,300,000	10	0.27%	9,939,391	2.64%	12,043,806	2.29%
1,300,000 - 1,400,000	7	0.19%	7,172,322	1.91%	9,139,650	1.74%
1,400,000 - 1,500,000	4	0.11%	5,383,122	1.43%	5,650,000	1.08%
1,500,000 - 1,600,000	11	0.30%	12,547,311	3.34%	16,500,000	3.14%
1,600,000 - 1,700,000	4	0.11%	5,524,578	1.47%	6,482,423	1.23%
2,000,000 - 2,100,000	2	0.05%	3,309,087	0.88%	4,000,000	0.76%
2,100,000 - 2,200,000	1	0.03%	743,393	0.20%	2,100,000	0.40%
2,200,000 - 2,300,000	3	0.08%	5,857,736	1.56%	6,650,000	1.27%
2,300,000 - 2,400,000	3	0.08%	5,080,282	1.35%	6,950,000	1.32%
2,400,000 - 2,500,000	1	0.03%	2,176,330	0.58%	2,400,000	0.46%
2,500,000 - 2,600,000	2	0.05%	3,783,262	1.01%	5,000,000	0.95%
3,000,000 - 3,100,000	1	0.03%	2,613,453	0.70%	3,000,000	0.57%
3,200,000 - 3,300,000	1	0.03%	628,028	0.17%	3,200,000	0.61%
3,700,000 - 3,800,000	2	0.05%	4,507,555	1.20%	7,550,000	1.44%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Seasoning

Seasoning (yrs)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0-2	1484	40.69%	131,435,302	34.97%	150,314,970	28.61%
2-4	1486	40.75%	142,354,825	37.87%	196,056,176	37.31%
4-6	510	13.98%	71,180,230	18.94%	113,204,589	21.54%
6-8	107	2.93%	25,062,125	6.67%	45,719,348	8.70%
8-10	45	1.23%	4,109,545	1.09%	15,168,392	2.89%
10-12	12	0.33%	1,654,546	0.44%	4,746,234	0.90%
12-14	2	0.05%	34,028	0.01%	87,798	0.02%
18-20	1	0.03%	42,442	0.01%	180,760	0.03%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Residual Term

Residual Term (yrs)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0-5	2333	63.97%	82,913,391	22.06%	166,322,664	31.65%
5-10	624	17.11%	91,402,172	24.32%	124,028,283	23.60%
10-15	430	11.79%	123,855,675	32.95%	147,869,442	28.14%
15-20	179	4.91%	63,114,572	16.79%	71,309,794	13.57%
20-25	55	1.51%	10,153,388	2.70%	11,371,354	2.16%
25-30	26	0.71%	4,433,844	1.18%	4,576,729	0.87%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Year of Origination

Year of Origination	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
1994	1	0.03%	42,442	0.01%	180,760	0.03%
2000	2	0.05%	34,028	0.01%	87,798	0.02%
2001	4	0.11%	790,366	0.21%	2,194,942	0.42%
2002	15	0.41%	1,158,229	0.31%	4,014,684	0.76%
2003	20	0.55%	1,354,677	0.36%	7,355,000	1.40%
2004	21	0.58%	2,680,446	0.71%	6,836,000	1.30%
2005	49	1.34%	10,705,570	2.85%	22,200,000	4.22%
2006	68	1.86%	16,793,473	4.47%	27,581,214	5.25%
2007	135	3.70%	28,740,878	7.65%	44,764,866	8.52%
2008	414	11.35%	53,222,642	14.16%	79,963,853	15.22%
2009	657	18.01%	68,889,227	18.33%	99,303,931	18.90%
2010	885	24.27%	75,082,888	19.98%	98,508,338	18.75%
2011	890	24.40%	79,206,278	21.07%	92,231,749	17.55%
2012	486	13.33%	37,171,899	9.89%	40,255,131	7.66%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Current Loan to Value (*)

Current LTV Range (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0-10	53	4.86%	6,931,922	2.51%	16,192,623	4.50%
10-20	115	10.54%	20,586,175	7.45%	33,196,030	9.22%
20-30	137	12.56%	35,365,978	12.80%	52,322,192	14.53%
30-40	169	15.49%	36,471,136	13.20%	50,023,755	13.89%
40-50	196	17.97%	52,270,136	18.92%	65,170,513	18.10%
50-60	140	12.83%	35,129,475	12.72%	41,764,511	11.60%
60-70	179	16.41%	61,689,579	22.33%	71,001,409	19.72%
70-80	92	8.43%	26,124,211	9.46%	28,495,547	7.91%
80-90	8	0.73%	1,568,301	0.57%	1,759,314	0.49%
90-100	2	0.18%	121,184	0.04%	127,000	0.04%
Total	1091	100.00%	276,258,097	100.00%	360,052,893	100.00%

(*) The Current LTV is calculated considering the valuation of the asset as of the origination date.

In case of more than one loan backed by the same property, the LTV has been calculated considering the pro rata property value.

In case of a single loan backed by more than one property, the LTV has been calculated considering the aggregate value of such properties

Breakdown by Original Loan to Value ()**

Original LTV Range (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0-10	17	1.56%	3,178,394	1.15%	3,806,476	1.06%
10-20	67	6.14%	13,804,940	5.00%	17,554,468	4.88%
20-30	79	7.24%	20,102,201	7.28%	24,827,048	6.90%
30-40	133	12.19%	28,294,434	10.24%	36,293,323	10.08%
40-50	145	13.29%	37,908,343	13.72%	47,893,998	13.30%
50-60	132	12.10%	32,422,031	11.74%	46,435,360	12.90%
60-70	194	17.78%	59,926,337	21.69%	76,048,857	21.12%
70-80	287	26.31%	71,386,832	25.84%	92,756,930	25.76%
80-90	20	1.83%	6,689,048	2.42%	9,469,434	2.63%
90-100	12	1.10%	1,993,696	0.72%	3,620,000	1.01%
100-185	5	0.46%	551,841	0.20%	1,347,000	0.37%
Total	1091	100.00%	276,258,097	100.00%	360,052,893	100.00%

(**) The Original LTV is calculated considering the valuation of the asset as of the origination date.

In case of more than one loan backed by the same property, the LTV has been calculated considering the pro rata property value.

In case of a single loan backed by more than one property, the LTV has been calculated considering the aggregate value of such properties

Breakdown by Interest Rate Type

Interest Rate Type	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Floating	2635	72.25%	290,665,293	77.33%	414,644,825	78.91%
Fixed	809	22.18%	38,529,209	10.25%	54,634,150	10.40%
Modular Loans Floating	148	4.06%	35,317,845	9.40%	43,738,274	8.32%
Modular Loans Fixed	41	1.12%	8,941,027	2.38%	9,784,702	1.86%
Entry Fixed Rate Loans(destined to switch to Floating for the residual life)	14	0.38%	2,419,670	0.64%	2,676,314	0.51%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Interest Rate & Indexing (*)

Interest Rate Type and Indexing	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Floating Rate Loans						
Euribor 6M	1829	50.15%	207,162,678	55.12%	298924142.5	56.89%
Euribor 3M	904	19.18%	77,706,049	18.13%	99,534,322	18.60%
Euribor 1M	55	1.17%	5,123,167	1.20%	6,393,880	1.19%
ECB Rate	26	0.55%	3,327,526	0.78%	3,880,430	0.73%
Sub Total Floating Rate Loans	2635	93.31%	290,665,293	86.79%	414,644,825	88.57%
Modular Loans Floating						
EURIBOR 3M	92	62.16%	24,385,358	69.05%	29,182,203	66.72%
EURIBOR 6M	49	33.11%	9,984,226	28.27%	12,166,028	27.82%
EURIBOR 1M	7	4.73%	948,261	2.68%	2,390,043	5.46%
SubTotal Modular Loans Floating	148	5.24%	35,317,845	10.55%	43,738,274	9.34%
Modular Loans Fixed (**)						
EURIBOR 6M	40	1.42%	7,443,162	2.22%	8,184,702	1.75%
EURIBOR 3M	1	0.04%	1,497,865	0.45%	1,600,000	0.34%
SubTotal Modular Loans Fixed	41	1.45%	8,941,027	2.67%	9,784,702	2.09%
Total	2824	100.00%	334,924,164	100.00%	468,167,801	100.00%

(*) Including Floating Rate Loans and Modular Loans

(**) Indexing parameter when the loan is at floating rate

Breakdown by Margin - Floating Rate Portfolio (*)

Margin (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0.0 - 0.5	9	0.34%	438,610	0.15%	794,737	0.19%
0.5 - 1.0	121	4.57%	28,696,475	9.79%	45,885,827	11.00%
1.0 - 1.5	354	13.36%	77,326,465	26.38%	115,376,828	27.65%
1.5 - 2.0	655	24.73%	76,111,677	25.97%	111,433,329	26.70%
2.0 - 2.5	251	9.48%	36,912,106	12.59%	46,051,852	11.04%
2.5 - 3.0	276	10.42%	29,122,042	9.94%	36,999,848	8.87%
3.0 - 3.5	162	6.12%	11,911,162	4.06%	16,552,002	3.97%
3.5 - 4.0	106	4.00%	5,301,176	1.81%	7,313,100	1.75%
4.0 - 4.5	135	5.10%	6,777,565	2.31%	10,038,463	2.41%
4.5 - 5.0	99	3.74%	3,172,649	1.08%	5,015,767	1.20%
5.0 - 5.5	131	4.95%	4,621,811	1.58%	6,399,800	1.53%
5.5 - 6.0	83	3.13%	3,512,372	1.20%	4,554,430	1.09%
6.0 - 6.5	102	3.85%	4,734,044	1.62%	5,702,456	1.37%
6.5 - 7.0	30	1.13%	1,307,613	0.45%	1,525,500	0.37%
7.0 - 7.5	43	1.62%	1,256,464	0.43%	1,496,200	0.36%
7.5 - 8.0	28	1.06%	716,940	0.24%	809,500	0.19%
8.0 - 8.5	38	1.43%	782,713	0.27%	937,000	0.22%
8.5 - 9.0	14	0.53%	176,640	0.06%	199,000	0.05%
9.0 - 9.5	9	0.34%	167,156	0.06%	192,500	0.05%
9.5 - 10	3	0.11%	39,285	0.01%	43,000	0.01%
Total	2,649	100.00%	293,084,963	100.00%	417,321,139	100.00%

(*) Including Floating Rate Loans and Entry Fixed Rate Loans and the relevant margin applied when switched to Floating

Breakdown by Interest Rate - Fixed Rate Portfolio ()**

Interest Rate (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
2.0 - 2.5	1	0.12%	15158.56	0.04%	20000	0.04%
2.5 - 3.0	3	0.37%	82290.65	0.21%	110000	0.20%
3.0 - 3.5	20	2.47%	433973.4	1.13%	580014	1.06%
3.5 - 4.0	26	3.21%	407839.49	1.06%	900000	1.65%
4.0 - 4.5	59	7.29%	2556975.54	6.64%	3840291.63	7.03%
4.5 - 5.0	64	7.91%	3855839.01	10.01%	4986225	9.13%
5.0 - 5.5	57	7.05%	6855554.84	17.79%	8978500	16.43%
5.5 - 6.0	101	12.48%	6889858.53	17.88%	10140884.43	18.56%
6.0 - 6.5	77	9.52%	5424997.19	14.08%	8428826.36	15.43%
6.5 - 7.0	99	12.24%	2843912.41	7.38%	4705025	8.61%
7.0 - 7.5	80	9.89%	2455117.67	6.37%	3627080	6.64%
7.5 - 8.0	61	7.54%	2466033.72	6.40%	3051523.08	5.59%
8.0 - 8.5	37	4.57%	1338829.06	3.47%	1828940.79	3.35%
8.5 - 9.0	47	5.81%	1771157.52	4.60%	2092340.16	3.83%
9.0 - 9.5	28	3.46%	436255.28	1.13%	534000	0.98%
9.5 - 10.0	27	3.34%	399073.25	1.04%	475500	0.87%
10.0 - 10.5	14	1.73%	196102.81	0.51%	221000	0.40%
10.5 - 11.0	4	0.49%	41410.04	0.11%	52000	0.10%

11.0 – 11.5	2	0.25%	34641.02	0.09%	37000	0.07%
11.5 – 12.0	2	0.25%	24189.31	0.06%	25000	0.05%
Total	809	100.00%	38,529,209	100.00%	54,634,150	100.00%

(**) Including only Fixed Rate Loans for the residual life

Breakdown by Payment Frequency Type

Payment Frequency Type	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Monthly	2976	81.60%	216,129,448	57.50%	308,594,061	58.73%
Semi-annual	544	14.92%	126,621,543	33.69%	174,464,204	33.20%
Quarterly	116	3.18%	30,693,720	8.17%	39,415,677	7.50%
Annual	7	0.19%	2,082,059	0.55%	2,593,823	0.49%
Bi-monthly	4	0.11%	346,275	0.09%	410,500	0.08%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Amortisation Profile

Amortisation Profile	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
French Amortisation	3536	96.96%	349,688,899	93.03%	491,694,775	93.57%
Fixed Instalment and Variable Maturity	94	2.58%	17,557,404	4.67%	23,400,750	4.45%
Bullet	17	0.47%	8,626,741	2.30%	10,382,741	1.98%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Amortising Status

Amortising Status	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Amortising	3600	98.71%	365,482,609	97.24%	513,534,825	97.73%
Pre - Amortising with certain initial I/O instalments	47	1.29%	10,390,435	2.76%	11,943,441	2.27%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Margin over floating rate index - Modular Loans when at Floating Rate (*)

Margin (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0.5 - 1.0	23	12.17%	5,572,988	12.59%	7,798,583	14.57%
1.0 - 1.5	43	22.75%	14,883,161	33.63%	18,609,284	34.77%
1.5 - 2.0	48	25.40%	7,471,653	16.88%	9,059,499	16.93%
2.0 - 2.5	32	16.93%	7,995,711	18.07%	9,208,316	17.20%
2.5 - 3.0	19	10.05%	3,695,507	8.35%	4,051,000	7.57%
3.0 - 3.5	5	2.65%	740,031	1.67%	795,000	1.49%
3.5 - 4.0	3	1.59%	555,477	1.26%	560,000	1.05%
4.5 - 5.0	6	3.17%	2,351,082	5.31%	2,426,165	4.53%
5.0 - 5.5	2	1.06%	194,857	0.44%	200,000	0.37%
5.5 - 6.0	3	1.59%	376,805	0.85%	385,000	0.72%
6.0 - 6.5	4	2.12%	224,902	0.51%	230,130	0.43%
6.5 - 7.0	1	0.53%	196,698	0.44%	200,000	0.37%
Total	189	100.00%	44,258,871	100.00%	53,522,976	100.00%

(*) It includes all the Modular Loans currently either at Fixed or Floating Rate and shows the margin over floating rate index when at Floating Rate

Breakdown by Margin over IRS index - Modular Loans when at Fixed Rate ()**

Margin (%)	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
0.5 - 1.0	19	10.05%	3,622,739	8.19%	5,567,957	10.40%
1.0 - 1.5	43	22.75%	16,634,494	37.58%	20,452,910	38.21%
1.5 - 2.0	47	24.87%	6,944,721	15.69%	8,627,499	16.12%
2.0 - 2.5	25	13.23%	6,231,719	14.08%	7,346,534	13.73%
2.5 - 3.0	27	14.29%	5,648,009	12.76%	6,141,781	11.48%
3.0 - 3.5	6	3.17%	949,734	2.15%	1,025,000	1.92%
3.5 - 4.0	2	1.06%	262,387	0.59%	290,000	0.54%
4.5 - 5.0	6	3.17%	2,142,844	4.84%	2,186,165	4.08%
5.0 - 5.5	1	0.53%	96,921	0.22%	100,000	0.19%
5.5 - 6.0	6	3.17%	1,001,689	2.26%	1,050,000	1.96%
6.0 - 6.5	5	2.65%	343,531	0.78%	350,130	0.65%
6.5 - 7.0	2	1.06%	380,084	0.86%	385,000	0.72%
Total	189	100.00%	44,258,871	100.00%	53,522,976	100.00%

(**) It includes all the Modular Loans currently either at Fixed or Floating Rate and shows the margin over IRS when at Fixed Rate

Breakdown by Borrower SAE Code (*)

Borrower SAE Code	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
430	1178	32.30%	210,630,040	56.04%	295,566,941	56.25%
492	659	18.07%	62,541,422	16.64%	87,015,336	16.56%
615	856	23.47%	42,407,152	11.28%	58,181,233	11.07%
482	412	11.30%	31,766,679	8.45%	44,915,637	8.55%
614	453	12.42%	16,929,733	4.50%	23,939,272	4.56%
480	34	0.93%	4,476,727	1.19%	6,697,409	1.27%
431	2	0.05%	2,585,826	0.69%	2,717,836	0.52%
481	17	0.47%	2,338,622	0.62%	2,934,988	0.56%
490	16	0.44%	1,099,052	0.29%	2,047,348	0.39%
491	18	0.49%	1,093,639	0.29%	1,442,266	0.27%
473	2	0.05%	4,152	0.00%	20,000	0.00%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

(*) according to Bank of Italy "Settore Attività Economica" classification

Breakdown by Industry Sector

Industry Sector	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
real estate	642	17.60%	130,591,503	34.74%	176,249,335	33.54%
lodging & restaurants	393	10.78%	40,381,475	10.74%	54,125,952	10.30%
consumer products	401	11.00%	27,827,810	7.40%	38,903,374	7.40%
retail (general)	362	9.93%	27,283,197	7.26%	38,651,247	7.36%
building & materials	308	8.45%	19,957,335	5.31%	32,222,804	6.13%
industrial/manufacturing	154	4.22%	18,286,262	4.87%	27,218,995	5.18%
business services	236	6.47%	17,269,541	4.59%	25,287,057	4.81%
textiles & furniture	187	5.13%	16,057,147	4.27%	24,374,682	4.64%
food & beverage & tobacco	158	4.33%	15,415,594	4.10%	20,724,784	3.94%
farming & agricultural services	154	4.22%	15,019,323	4.00%	19,645,536	3.74%
automobiles	146	4.00%	13,483,145	3.59%	18,236,360	3.47%
paper & forest products	49	1.34%	6,144,614	1.63%	9,081,065	1.73%
transportation	78	2.14%	5,473,660	1.46%	8,020,312	1.53%
gaming & leisure & entertainment	55	1.51%	4,846,828	1.29%	6,987,511	1.33%
supermarkets & drugstores	83	2.28%	3,819,393	1.02%	5,483,177	1.04%
computers & electronics	36	0.99%	2,190,577	0.58%	3,166,165	0.60%
healthcare	45	1.23%	1,635,710	0.44%	2,345,409	0.45%
energy	23	0.63%	1,612,939	0.43%	2,359,500	0.45%
chemicals	15	0.41%	1,336,359	0.36%	1,744,000	0.33%
pharmaceuticals	2	0.05%	1,312,689	0.35%	1,670,000	0.32%
utilities	25	0.69%	1,128,887	0.30%	1,469,500	0.28%
metals & mining	5	0.14%	1,128,684	0.30%	2,000,000	0.38%
not defined	13	0.36%	1,094,932	0.29%	1,427,700	0.27%
broadcasting & media	37	1.01%	1,067,144	0.28%	1,626,400	0.31%
banking & finance	31	0.85%	804,601	0.21%	1,439,400	0.27%
environmental services	4	0.11%	536,519	0.14%	655,000	0.12%
cable	2	0.05%	87,336	0.02%	98,000	0.02%
packaging & containers	2	0.05%	62,171	0.02%	215,000	0.04%
telecommunications	1	0.03%	17,673	0.00%	50,000	0.01%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Borrower Region of Residence

Borrower Region	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Tuscany	3618	99.20%	371,937,392	98.95%	519,410,864	98.85%
Latium	10	0.27%	426,847	0.11%	741,152	0.14%
SubTotal Center	3628	99.48%	372,364,239	99.07%	520,152,016	98.99%
Campania	2	0.05%	1,375,436	0.37%	1,700,000	0.32%
Basilicata	2	0.05%	263,557	0.07%	348,000	0.07%
Apulia	1	0.03%	223,964	0.06%	300,000	0.06%
Sardinia	1	0.03%	157,302	0.04%	500,000	0.10%
SubTotal South	6	0.16%	2,020,260	0.54%	2,848,000	0.54%
Lombardy	5	0.14%	669,871	0.18%	1,013,250	0.19%
Emilia Romagna	3	0.08%	490,236	0.13%	660,000	0.13%
Liguria	3	0.08%	205,872	0.05%	470,000	0.09%
Piedmont	6	0.16%	696,108	0.19%	1,130,000	0.22%
SubTotal North	17	0.47%	2,062,087	0.55%	3,273,250	0.62%
Total	3647	100.00%	375,873,044	100.00%	525,478,266	100.00%

Breakdown by Mortgage Economic Priority (*)

Mortgage Economic Priority	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
1st Economic Priority	1055	96.70%	269,737,294	97.64%	351,418,893	97.60%
2nd Economic Priority	33	3.02%	5,559,183	2.01%	7,344,000	2.04%
3rd Economic Priority	3	0.27%	961,620	0.35%	1,290,000	0.36%
Total	1091	100.00%	276,258,097	100.00%	360,052,893	100.00%

(*) As per the Selection Criteria of the Claims

Breakdown by Property Region

Property Region	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Tuscany	1084	99.36%	273,405,828	98.97%	356,732,893	99.08%
Umbria	1	0.09%	1,987,379	0.72%	2,300,000	0.64%
Latium	2	0.18%	93,906	0.03%	120,000	0.03%
SubTotal Center	1087	99.63%	275,487,113	99.72%	359,152,893	99.75%
Liguria	1	0.09%	259,702	0.09%	300,000	0.08%
Emilia Romagna	1	0.09%	257,853	0.09%	280,000	0.08%
SubTotal North	2	0.18%	517,554	0.19%	580,000	0.16%
Sardinia	1	0.09%	154,446	0.06%	190,000	0.05%
Apulia	1	0.09%	98,984	0.04%	130,000	0.04%
SubTotal South	2	0.18%	253,430	0.09%	320,000	0.09%
Total	1091	100.00%	276,258,097	100.00%	360,052,893	100.00%

Breakdown by Property Type

Property Type	Nr of Loans	% Nr of Loans	Current Balance	% Current Balance	Original Balance	% Original Balance
Commercial	1019	93.40%	247,841,889	89.71%	324,379,051	90.09%
Residential	151	13.84%	53,730,982	19.45%	71,672,062	19.91%
Allotment	43	3.94%	15,201,524	5.50%	19,294,245	5.36%
Other	25	2.29%	7,783,289	2.82%	9,428,313	2.62%
Total	1091	100.00%	276,258,097	100.00%	360,052,893	100.00%

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to article 3 of the Securitisation Law, as a *società a responsabilità limitata* (limited liability company) on 20 June 2012 under the name of Pontormo SME S.r.l.. The Issuer is currently registered in the Register of Companies of Florence with No. 06272010486 and has its registered office at Via Cherubini No. 99, Empoli (Florence), Italy (telephone number +39 0571 5331200).

Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no dividends have been declared or paid, other than: (i) the authorisation and the execution of the Transaction Documents to which it is a party; (ii) the activities incidental to any registration under the laws of the Republic of Italy; (iii) the activities referred to or contemplated in this Prospectus and in the Transaction Documents; and (iv) the authorisation by it of the Notes.

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000 fully paid up as of the date of this Prospectus.

The quotaholders of the Issuer are (i) Cabel Holding S.p.A. (“**Cabel**”) which held a Issuer’s quota of Euro 1,000 and (ii) Stichting Wavaburg (“**Stichting**” and together with Cabel the “**Quotaholders**”) which held a Issuer’s quota of Euro 9,000. The Quotaholders have limited liability in case the requirements indicated by Italian law are met. To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Quotaholders. The duration of the Issuer is until 31 December 2100.

Principal Activities

The scope of the Issuer, as set out in article 3 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 Notes was approved by means of a meetings held on 15 January 2013. 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.

Directors and Auditors

Pontormo SME S.r.l. is managed by a sole director whose name is Mr. Giacomo Turco. Such sole director was appointed on 20 June 2012.

The domicile of Mr. Giacomo Turco, in his capacity as sole director of the Issuer, is at Via Cherubini No. 99 Empoli (Florence), Italy, telephone number +39 0571 5331200; fax number +39 0571 993907.

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

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes now being issued on the Issue Date, is as follows:

Capital

Issued and fully paid up Euro 10,000

In connection with the issue by the Issuer of the 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 at the date the transaction is completed, as follows:

Off-balance sheet liabilities

Class A1 Asset Backed Floating Rate Notes Euro 87,800,000

Class A2 Asset Backed Floating Rate Notes Euro 80,300,000

Class A3 Asset Backed Floating Rate Notes Euro 72,300,000

Class B1 Asset Backed Floating Rate Notes Euro 53,225,000

Class B2 Asset Backed Floating Rate Notes Euro 48,729,000

Class B3 Asset Backed Floating Rate Notes Euro 43,750,000

TOTAL OFF-BALANCE SHEET INDEBTEDNESS Euro 386,104,000

Following the issue of the 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.

Financial Statements

Since the date of incorporation, the Issuer has not commenced operations (except for the one described in this Prospectus) and no Financial Statements have been made up as at the date of this Prospectus.

THE ORIGINATORS

BCC FORNACETTE

Historical Background and Description of BCC Fornacette

BCC Fornacette is an Italian cooperative retail bank, regulated and supervised by Bank of Italy, headquartered in Fornacette, within the municipality of Calcinaia (province of Pisa). The bank's operations are geographically concentrated in the municipalities of Pontedera, Cascina and Pisa all of which fall within the province of Pisa and the region of Tuscany, in Central Italy.

BCC Fornacette has 19 branches and employs around 165 staff. The bank had total assets of EUR 1.312,5 million as at the end of 2011 (including securitised loans).

BCC Fornacette is a geographically focused retail bank providing traditional banking services to local individuals and corporates. Given the bank's cooperative status, most customers are also shareholders.

The bank is shareholder of the Cabel Group, which provides various services and products to numerous banks operating in Italy.

The bank's corporate clients consists mainly of "*micro-imprese*" (small enterprises), which typically employ a maximum of 10 employees.

BCC Fornacette was founded in 1962 as a Rural and Crafts Savings Bank and then became a Cooperative Credit Bank according to the Italian bank legislation reform in 1993.

The bank has previous experiences of securitisation as originator and servicer for the Mosaico Finance S.r.l. transaction, completed in May 2001, Pontormo Finance s.r.l. (July 2004), Pontormo Funding s.r.l. (October 2007) and Pontormo Mortgages s.r.l. (August 2010).

Ownership and Share Capital

BCC Fornacette, having converted from a Società Cooperativa a Responsabilità Limitata in 2005, is now a limited liability joint stock cooperative company (Società Cooperativa per Azioni).

As at the end of 2011, the bank had over 7,000 shareholders.

Management and Board of Directors

The organizational structure below refers to the executive component of the Bank, duly coordinated by the General Manager. The Management of BCC Fornacette is carried on by the General Manager, who performs the guideline set by the Board of Directors.

DIREZIONE GENERALE		
	Direttore Generale	Benigni Mauro
Vice Direttore Generale (vicario)	Tempestini Patrizia	Vice Direttore Generale
		Ciampi Fausto

UFFICIO SEGRETERIA GENERALE	Responsabile Segreteria Generale	Costagli Luca
UFFICIO CONTROLLO RISCHI	Responsabile Controllo Rischi	Lanza Benedetto
	Addeito Controllo Rischi	Calloni Enrico
UFFICIO COMPLIANCE	Responsabile Compliance	Presutti Giovanni
	Addeito Compliance	Rossi Kafia

UFFICIO RISORSE UMANE	Responsabile Risorse Umane	Donati Rolando
	Addeito sostituzioni	Ciardi Filippo
	Addeito sostituzioni	Mazzurco Nicola
	Addeito sostituzioni	Pasqualetti Davide

UFFICIO ANTRICICLAGGIO	Responsabile Antricioclaggio	Presutti Giovanni
	Addeito Antricioclaggio	Rossi Kafia

AREA CREDITI	Responsabile Area Crediti	Tempestini Patrizia
UFFICIO SEGRETERIA FIDI	Responsabile Segreteria Fidi Privati	Giampieri Michela
	Addeito Segreteria Fidi Privati	Maccelloni Agnese
	Addeito Segreteria Fidi Privati	Nelli Riccardo
	Addeito Segreteria Fidi Privati	Spadaro Graziano
	Addeito Segreteria Fidi Aziende	Volpi Silvia
	Addeito Segreteria Fidi Aziende	Rossi Gino
	Addeito Segreteria Fidi Aziende	Fadrolini Andrea
	Addeito Segreteria Fidi Aziende	Ricotta Elena
	Addeito Perfezionamento Crediti	Casini Fabrizio
	Addeito Perfezionamento Crediti	Scalzini Carlo
UFFICIO ESTERO MERCATO	Responsabile Estero Mercati	Braccini Stefano
	Addeito Estero Mercati	Benucci Sandro
UFFICIO CONTROLLO CREDITI	Addeito Estero Mercati	Cei Paolo
	Addeito Estero Mercati	Bellucci Valeria
UFFICIO LEGALE E CONTENZIOSO	Responsabile Controllo Crediti	Milani Erika
	Addeito Controllo Crediti	Nuti Alessandra
	Responsabile	Crespina Barbara
	Addeito	Papenni Valeria
	Addeito	Bagatin Martina

AREA AFFARI	Responsabile Area Affari	Benigni Mauro (ad interim)
UFFICIO FINANZA E TESORERIA	Responsabile Finanza e Tesoreria	Cambi Paolo
	Gestore Portafoglio di Proprietà	Maccelloni Stefano
	Addeito Titoli	Paoletti Alessio
	Addeito Private Banking	Orni Luca
UFFICIO COMMERCIALE E MARKETING	Addeito Private Banking	Mannucci Marco
	Responsabile Commerciale e Marketing	Guantini Grazia

AREA RISORSE	Responsabile Area Risorse	Ciampi Fausto
UFFICIO CONTABILITA' / SEGNALAZIONI PORTAFOLIO E VIGILANZA	Responsabile	Barsotti Giacomo
	Addeito Contabilità	Tinagli Lorella
	Addeito Contabilità	Crivasi Claudio
	Addeito Segnalazioni di Vigilanza	Sani Mariena
	Addeito Portafoglio	Batini Daniele
	Addeito Utenze	Greco Francesca
UFFICIO ORGANIZZAZIONE E NORMATIVA	Addeito Utenze	Catani Raffaele
	Responsabile	Ciampi Fausto
UFFICIO CONTROLLO DI GESTIONE	Addeito	Martelli Daniela
	Responsabile	Ciampi Fausto
UFFICIO SISTEMA INFORMATIVO E SISTEMI DI PAGAMENTO	Responsabile	Barsotti Andrea
	Addeito	Marchi Roberto
	Addeito	Fioritini Luigi
SERVIZI	Addeito Economato	Marchi Roberto
	Addeito servizi Vari	Roffi Luca
UFFICIO TECNICO	Addeito servizi Vari	Alotti Daniele
	Responsabile Ufficio Tecnico	Picoli Gerry
UFFICIO TESORERIA ENTI	Responsabile	Pantani Manuela
	Addeito	Rodella Federico
	Addeito	Cavallini Silvia
	Addeito	Luti Massimo
	Addeito	Stavini Federico

The day to day management of BCC Fornacette is the responsibility of the General Manager, supported by the Chief Organisation Officer and the Chief Loan Officer. The Chief Organisation Officer has the responsibility for the bank's operations, administration, balance sheet management, reporting and IT. The Chief Loan Officer manages the lending business and works closely with managers in each branch

- **General Manager** – Mauro Benigni
- **Chief Organisation Officer** – Fausto Ciampi
- **Chief Loan Officer** – Patrizia Tempestini

The Board of Directors meets on a monthly basis, while the Executive Committee meets every 10 to 15 days.

Board of Directors / Executive Committee *	Board of Auditors
Carlo Paoli (Chairman)*	Gianfranco Malacarne (Chairman)*
Mario Guazzelli (Deputy Chairman)	Alessandro Curini*
Piero Catarsi	Stefano Sanna*
Piero Fassorra*	
Mario Federighi	
Francesco Pardi*	
Francesco Pieracci*	

Internal auditing services are provided by META, part of the Cabel Group, while external audit are conducted by Bompani Audit.

Financial Highlights

The tables below set out the balance sheet and the profits and losses of BCC Fornacette over the past 4 years:

EUR/000,000	2011	2010	2009	2008
Loans to Banks	28	31	53	13
Loans to Customers	1,012	896	791	745
Cash and equivalent	6	5	6	5
Financial Investments	172	170	120	96
Other Assets	69	59	48	39
Total Assets	1,287	1,161	1,017	898
Net Equity & Provisions	126	109	100	84
Deposits and Bonds	1,035	966	909	759
Deposits from Banks	126	61	1	48
Other Liabilities	0	25	7	7
Total Liabilities	1,287	1,161	1,017	898
Net NPL / Net Loans to Customers (*)	2.91%	2.53%	1.49%	1.13%
TIER 1 Ratio	13.90%	15.52%	17.37%	16.29%

* (*sofferenze nette* to the clients / *impieghi netti* to the clients) - source Table A 1.6 of BCC Fornacette Annual Report

EUR/000	2011	2010	2009	2008
Interest Margin	20,717	18,022	20,013	20,451
Intermediation Margin	27,862	27,088	25,204	23,071
Write-offs	-2,789	-3,524	-3,100	-1,574
Administrative Costs	-21,277	-19,314	-18,088	-15,138

Amortisation & Depreciation	-1,528	-1,407	-1,478	-1,320
Other	4,008	2,868	8,758	2,529
Operating Profit	6,276	5,711	11,297	7,569
Taxes	-1,386	-1,159	-908	-1,042
Net Result	4,890	4,553	10,389	6,527
<i>Return on Assets</i>	<i>0.38%</i>	<i>0.39%</i>	<i>1.02%</i>	<i>0.73%</i>
<i>Return on Equity</i>	<i>4.57%</i>	<i>4.17%</i>	<i>10.37%</i>	<i>7.78%</i>

The information contained herein relates to BCC Fornacette 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 BCC Fornacette, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BCC CASTAGNETO CARDUCCI

Historical Background and Description of BCC Castagneto Carducci

BCC Castagneto Carducci is an Italian cooperative retail bank, regulated and supervised by Bank of Italy, headquartered in the town of Castagneto Carducci (province of Livorno) and with operations in the provinces of Grosseto, Livorno and Pisa, all of which fall within the region of Tuscany, in Central Italy.

BCC Castagneto Carducci has 19 branches and employs a full time equivalent of 83 staff. The bank had total assets of EUR 1.192 million as at the end of 2011.

BCC Castagneto Carducci is a retail bank providing traditional banking services to local individuals and small medium enterprises in a small geographical area

The bank's corporate clients consists mainly of "*micro-imprese*" (small enterprises), which typically employ a maximum of 10 employees and, given the focus of the local economy, tend to be concentrated in the tourism and building industries.

Given the bank's cooperative status, most customers are also shareholders.

The bank is shareholder of the Cabel Group, which provides various services and products to numerous banks operating in Italy.

BCC Castagneto Carducci was founded in 1910 and operated as a one branch institution until the early 1970s. In 1985 the bank embarked on an expansion program and today operates 19 branches.

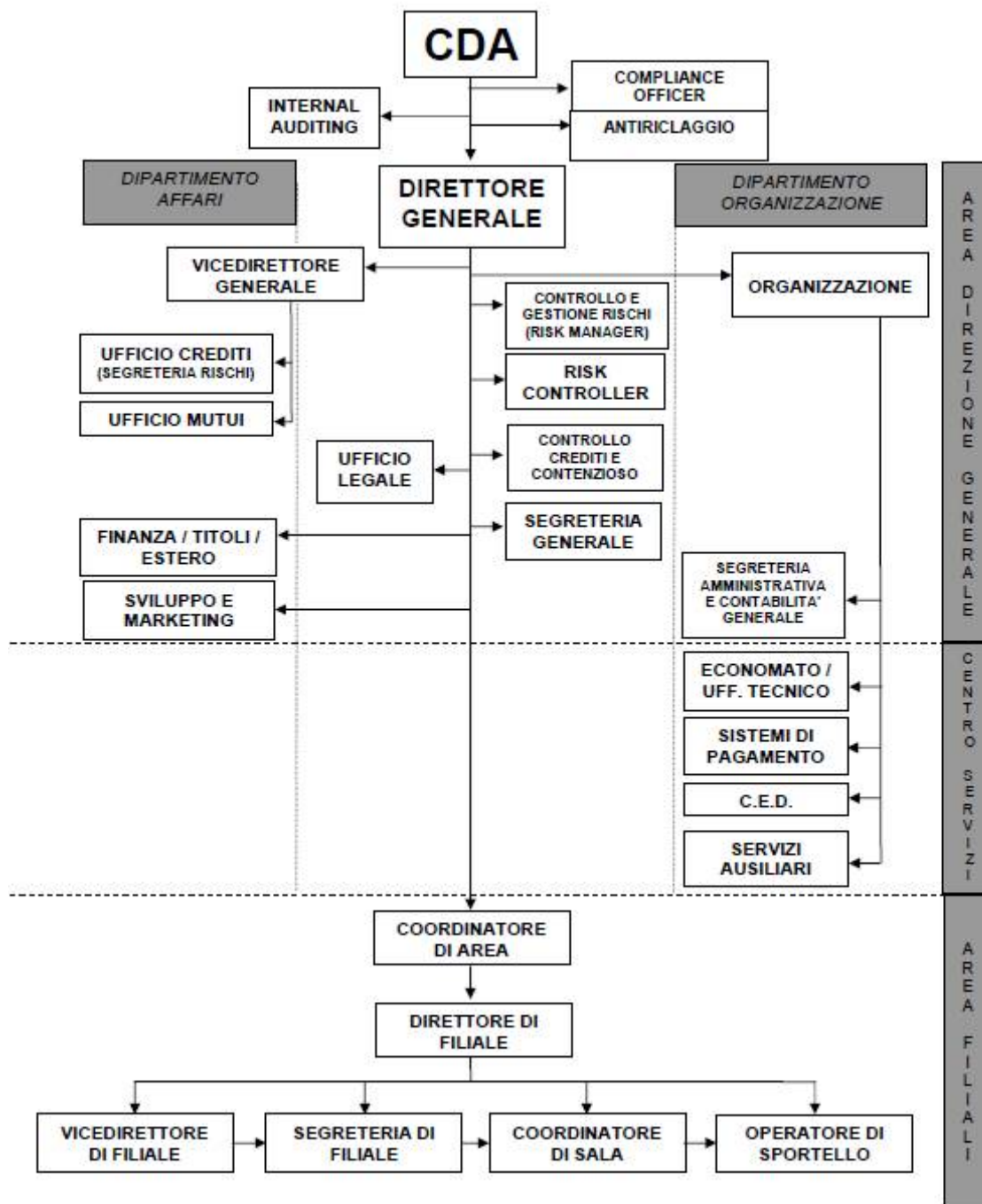
The bank has previous experiences of securitisation as an originator and servicer for the Pontormo Finance transaction, Pontormo Funding transaction and the Pontormo Mortgages transaction completed, respectively, in July 2004, October 2007 and August 2010.

Ownership and Share Capital

BCC Castagneto Carducci, having converted from a Società Cooperativa a Responsabilità Limitata in 2005, is now a limited liability joint stock cooperative company (Società Cooperativa per Azioni). As at December 2011, the bank had over 1.570 shareholders.

Management and Board of Directors

The organizational structure below refers to the executive component of the Bank, duly coordinated by the General Manager. The Management of BCC Castagneto Carducci is carried on by the General Manager, who performs the guideline set by the Board of Directors.



The day to day management and lending activities of BCC Castagneto Carducci are the responsibility of the General Manager, while the Deputy General Manager is responsible for financial investments.

- **General Manager** – Fabrizio Mannari
- **Chief Organisation Officer** – Sabina Bini
- **Deputy General Manager and Chief Loan Officer** – Mario Tuci
- **Compliance Officer** – Enrico Cicali

The Board of Directors meets on a monthly basis, while the Executive Committee meets at least every 15 days. The Board of Auditors meets at least every three months and contributes to all meetings of the Board of Directors and Executive Committee. The current composition of the three committees is detailed in the table below:

Board of Directors / Executive Committee *	Board of Auditors
Silvano Badalassi (Chairman) *	Fabio Favilla (Chairman)
Alessandro Scappini (Deputy Chairman)	Fulvia Gilleri
Vincenzo Di Vaira	Laura Baroni
Natale Ferrari *	
Luciano Nannini *	
Sergio Acerbi	
Sergio Benedetti	

Internal auditing services are provided by META, part of the Cabel Group, while external audits are conducted by Bompani Audit.

Financial Highlights

The tables below set out the balance sheet and the profits and losses of BCC Castagneto Carducci over the past 4 years

EUR/000,000	2011	2010	2009	2008
Loans to Banks	79	51	47	7
Loans to Customers	640	584	535	510
Cash and equivalent	7	18	6	5
Financial Investments	88	43	19	56
Other Assets	38	25	29	30
Total Assets	852	721	635	608
Net Equity & Provisions	78	75	72	60
Deposits and Bonds	677	615	534	479
Deposits from Banks	80	16	16	50
Other Liabilities	17	16	14	20
Total Liabilities	852	721	635	608

Net NPL / Net Loans to Customers (*)	1.30%	0.81%	0.2%	0.2%
TIER 1 Ratio	11.44%	14.20%	14.80%	15.20%

* (*sofferenze nette* to the clients / *impieghi netti* to the clients) - source Table A 1.6 of BCC Castagneto Carducci Annual Report

EUR/000	2011	2010	2009	2008
Interest Margin	15,616	13,339	15,631	14,774
Intermediation Margin	20,224	16,723	19,084	18,480
Write-offs	-2,384	-872	-780	-261
Administrative Costs	-12,603	-12,066	-10,316	-9,369
Amortisation & Depreciation	-1,205	-1,261	-1,194	-1,134
Other	1,647	1,682	6,057	1,158
Operating Profit	5,679	4,206	12,851	8,873
Taxes	-1,424	-1,036	-759	-1,819
Net Result	4,254	3,170	12,092	7,054
<i>Return on Assets</i>	<i>0.50%</i>	<i>0.44%</i>	<i>1.90%</i>	<i>1.16%</i>
<i>Return on Equity</i>	<i>5.48%</i>	<i>4.23%</i>	<i>16.88%</i>	<i>11.80%</i>

The information contained herein relates to BCC Castagneto 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 BCC Castagneto, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BP LAJATICO

Historical Background and Description of Banca Popolare di Lajatico

Banca Popolare di Lajatico is an Italian cooperative retail bank (*Società Cooperativa per Azioni*), regulated and supervised by the Bank of Italy, headquartered in the municipality of Lajatico (province of Pisa) and with operations in the provinces of Pisa, within the region of Tuscany, in Central Italy.

BP Lajatico currently has 17 branches, and employs around 103 staff. The bank had total assets of approximately EUR 665 million as at the end of 2011.

BP Lajatico is a retail bank providing traditional banking services to local individuals and corporates. The bank's corporate clients consists mainly of "*micro-imprese*" (small enterprises), which typically employ around 10 employees.

The bank is shareholder of the Cabel Group, which provides various services and products to numerous banks operating in Italy.

Banca Popolare di Lajatico has been founded on 14 September 1884 as an entity aiming to increase education of the local community on Mr. Guelfi initiative, who was a family doctor of the municipality.

The bank experienced its period of greatest growth during the economic boom post 1950, by financing increasing investments arising from the industrial and commercial activities that overcome the agricultural ones. Since that time, the bank has continued to pursue a careful strategy of prudent growth in its lending business.

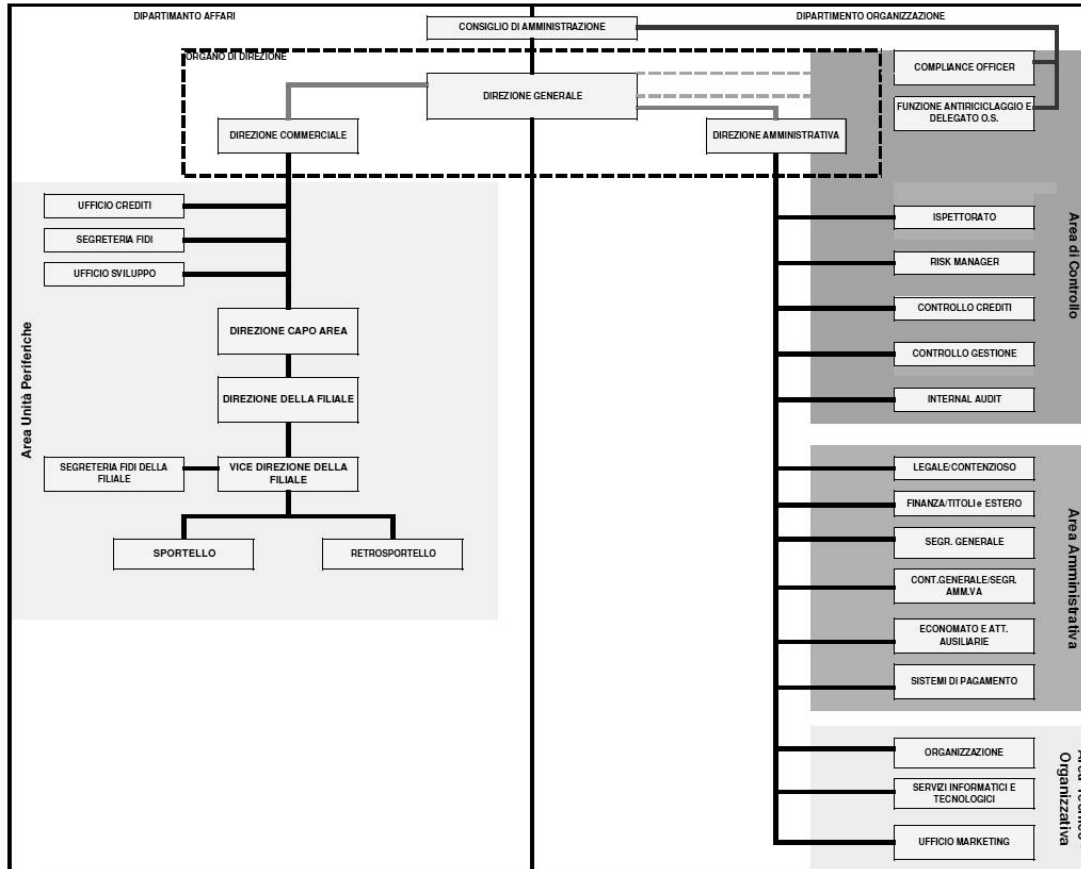
The bank has previous experiences of securitisation as an originator and servicer for the Pontormo Mortgages transaction completed in August 2010.

Ownership and Share Capital

Banca Popolare di Lajatico is a limited liability joint stock cooperative company (*Società Cooperativa per Azioni*) and is subject to certain legislation specific to Italian cooperative banks regarding, inter alia, its legal structure and shareholding.

Management and Board of Directors

Management of BP Lajatico is carried on by the board of directors and board of auditors; in particular the General Manager, who is the head of the whole staff, has the responsibility for the general administration of the bank.



The General Manager, together with the General Accounting Director and the Commercial Director form the Steering Committee.

- **General Manager** - Salvadori Daniele
- **General Accounting Director** - Signorini Enrico
- **Commercial Director** – Lari Gianpiero
- **Compliance Officer and Bank’s Auditor** - Turchi Federica
- **Chief of Credit Control** - Serragoni Fausto
- **Risk Manager** - Marianelli Sauro
- **Chief Loan Officer** – Pardini Riccardo
- **Chief Financial Officer**- Simoncini Marco
- **Accounting Director** - Calderani Luca

Branch managers report directly to the Commercial Director, thus they cooperate closely with the steering committee. The Board of Directors meets on a monthly basis. The current composition of both committees is detailed in the table below.

Board of Directors	Board of auditors
Enrico Fabbri	Enzo Polidori
Enzo Marconcini	Luciano Davini
Marcello Baldacci	Stefano Vallini
Carlo Battini	
Sergio Cecchini	
Antonio Fedeli	
Fabio Morelli	
Sergio Sani	
Bocelli Alberto	

Internal auditing services are provided by Cabel Group by means of ME.TA. (an auditing company), while external audits are conducted by Bompani Audit S.r.l.

Financial Highlights

The tables below set out the balance sheet and the profits and losses of BP Lajatico over the past 4 years:

EUR/000,000	2011	2010	2009	2008
Loans to Banks	54	85	51	46
Loans to Customers	540	524	461	397
Cash and equivalent	3	3	3	3
Financial Investments	50	30	24	43
Other Assets	19	15	12	13
Total Assets	665	657	552	502
Net Equity & Provisions	73	73	67	61
Deposits and Bonds	516	509	472	429
Deposits from Banks	68	57	3	2
Other Liabilities	8	18	11	11
Total Liabilities	665	657	552	502
Net NPL / Net Loans to Customers (*)	1.1%	1.2%	0.8%	0.9%
TIER 1 Ratio	16.20%	17.09%	17.23%	18.10%

* (*sofferenze nette* to the clients / *impieghi netti* to the clients) - source Table A 1.6 of BP Lajatico Annual Report

EUR/000	2011	2010	2009	2008
Interest Margin	13,359	12,827	13,839	12,658
Intermediation Margin	17,445	16,221	17,131	14,307
Write-offs	-1,553	-1,530	-1,303	-1,166

Administrative Costs	-12,445	-11,241	-10,670	-9,727
Amortisation & Depreciation	-615	-553	-608	-646
Other	1,303	1,089	1,344	1,286
Operating Profit	4,135	3,984	5,895	4,055
Taxes	-1,645	-1,565	-2,114	-1,121
Net Result	2,490	2,420	3,780	2,933
<i>Return on Assets</i>	<i>0.37%</i>	<i>0.37%</i>	<i>0.68%</i>	<i>0.58%</i>
<i>Return on Equity</i>	<i>3.39%</i>	<i>3.34%</i>	<i>5.63%</i>	<i>4.83%</i>

The information contained herein relates to BP Lajatico 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 BP Lajatico, no facts have been omitted which would render the reproduced information inaccurate or misleading.

COMPLIANCE WITH ARTICLE 122A OF THE CRD

In the Intercreditor Agreement, each of the Originators has undertaken to the Noteholders and the Representative of the Noteholders that it will 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 to the Issuer) in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter and provide adequate disclosure to the Noteholders in accordance with such Article 122a of the CRD.

For such purpose, each of the Originators has undertaken to retain the Class B Notes with effect from the Issue Date and to disclose that it continues to fulfil the obligation to maintain the net economic interest in the Transaction in accordance with option (d) of Article 122a of the CRD and to give relevant information to the Noteholders in this respect on a quarterly basis through the Investors Report

Furthermore, in the Intercreditor Agreement, each of the Originators has undertaken to ensure that 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 in accordance with Article 122a of the CRD.

In the light of the above, each of the Originators has made available on or about the date of this Offering Circular, and will make available on a quarterly basis, the information required under Article 122a of the CRD, which does not form part of this Offering Circular as at the Issue Date but may be of assistance to certain categories of prospective investors before investing and which is specified under the terms of the Intercreditor Agreement.

In particular, in accordance with the Intercreditor Agreement, each of the Originators has undertaken that any of such information:

- (a) on the 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 Agreement*”; and
- (b) following the Issue Date, on a quarterly basis, will:
 - (i) on each Investors' Report Date, be included in the Investor's Report issued by the Computation Agent, which will (a) contain, *inter alia*, (i) statistics on prepayments, the Impaired Claims, the Delinquent Claims, the Delinquent 60 Claims, the Delinquent 90 Claims and the Defaulted 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, Interest Amount, Principal Amount Outstanding of the Notes, principal payments on the Notes and other payments made by the Issuer, and (iv) information on the material net economic interest (of at least 5%) (calculated for each Originator with respect to the Claims comprised in the Relevant Portfolio which have been transferred to the Issuer) in the Transaction maintained by each of the Originators in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter; (b) be generally available to the Noteholders and prospective investors at the offices of the Principal Paying Agent and on the Operating Bank's web site on currently located on <http://www.investbanca.it/pontormoSME.htm> (for the avoidance of doubt, such website

does not constitute part of this Prospectus);

- (ii) with reference to loan by loan information regarding each Loan included in the Portfolios, be made available by each of the Originators, upon request;
- (iii) with reference to the further information which from time to time may be deemed necessary under Article 122a of the CRD in accordance with the market practice and not covered under points (i) and (ii) above, will be provided, upon request, by each of the Originators.

Under the Intercreditor Agreement each of the Originators has undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, within the limits of Article 122a of the CRD.

**THE AGENT BANK, THE TRANSACTION BANK, THE ENGLISH TRANSACTION BANK,
THE CASH MANAGER, THE PRINCIPAL PAYING AGENT, THE IRISH PAYING AGENT**

(i) The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, (ii) The Bank of New York Mellon, (iii) The Bank of New York Mellon SA/NV, Dublin Branch shall act, respectively, as (i) Agent Bank, Transaction Bank and Principal Paying Agent; (ii) English Transaction Bank and (iii) Irish Paying Agent pursuant to the Cash Administration and Agency Agreement.

1. *The Bank of New York Mellon (formerly The Bank of New York)*

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services \$12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$23 trillion in assets under custody and administration and more than \$1.1 trillion in assets under management. Additional information is available at bnymellon.com.

2. *The Bank of New York Mellon (Luxembourg) S.A.*

The Bank of New York Mellon (Luxembourg) S.A. was incorporated in the Grand Duchy of Luxembourg as a *société anonyme* on 15 December 1998 under the Luxembourg Law of 10th August 1915 on commercial companies, as amended, and has its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. It is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation.

On 20 January 1999 the The Bank of New York Mellon (Luxembourg) S.A. received its banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and has engaged in banking activities since then. On 19 October 2006 the The Bank of New York Mellon (Luxembourg) S.A. has enhanced its banking licence to cover as well the activities of administrative agent of the financial sector.

The Bank of New York Mellon (Luxembourg) S.A. is supervised by the Luxembourg financial regulator, the Commission de Surveillance du Secteur Financier.

3. *The Bank of New York Mellon SA/NV*

The Bank of New Mellon SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the former CBFA on March 10 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussel. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in Global Custody, Local Custody, Global Clearing, Global Collateral Management, Global Markets, Securities Lending and Depot Bank. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

The information contained in paragraphs (1), (2) and (3) above relates to each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The *Bank of New Mellon SA/NV* 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 The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The *Bank of New Mellon SA/NV*, 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 The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The *Bank of New Mellon SA/NV* 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 English Transaction Bank, the Transaction Bank, the Agent Bank, the Principal Paying Agent, the Cash Manager and the Irish Paying Agent may resign its appointment upon not less than 90 (ninety) calendar days' notice to the Issuer (with a copy to the Rating Agencies and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent) provided that certain conditions are met; on the other hand, the Issuer may revoke the appointment of each of Cash Manager, the English Transaction Bank, the Computation Agent, the Transaction Bank, the Agent Bank, the Principal Paying Agent and the Irish Paying Agent, subject to the prior written approval of the Representative of the Noteholders (other than to replace any Agents being the same entity as, or an associate company of, the Representative of the Noteholders), by giving not less than 60 (sixty) calendar 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, such revocation shall not take effect until a successor (the “**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 any Agent shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a five Business Days notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders (other than to replace any Agents being the same entity as, or an associate company 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 Operating Bank, the banking license granted to it pursuant to article 14 of the Consolidated Banking Act 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 the Principal Paying Agent, the English Transaction Bank and the Transaction Bank, it ceases to be an Eligible Institution; or (g) a just cause (*giusta causa*) occurs (which includes (A) any change (i) to the Specified Office of the Principal Paying Agent or the Irish Paying Agent or (ii) to the registered office of any other Agent, provided that, in both cases under (i) and (ii) above, both the Issuer and the Representative of the Noteholders have reasonable grounds to believe that such change may prejudice the Noteholders' rights under the Transaction; (B) the default by any Agent in the performance or observance of any of its respective covenants and obligations under the Cash Administration and Agency Agreement, provided that the Representative of the Noteholders is of the opinion that such default is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 20 (twenty) calendar days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy; or (C) the circumstance that any of the warranties made by any Agent under the Cash Administration and Agency Agreement proves untrue, provided that the Representative of the Noteholders is of the opinion that such warranty being untrue is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 20 (twenty) calendar days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy; or (D) the circumstance 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, 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 Notes and/or the Transaction); provided however that, in any case, such termination or revocation shall not take effect until a Successor has been duly appointed in accordance with the clause 13.3 or clause 13.4 of the Cash Administration and Agency Agreement and notice thereof has been given to Monte Titoli.

If any of the Principal Paying Agent, the English Transaction Bank and the Transaction Bank ceases to be an Eligible Institution, any of them, or any other Party who becomes aware of it, shall promptly give notice of such event to the other Parties and to the Rating Agencies, and the Representative of the Noteholders (with the assistance and cooperation of the relevant Agent who ceased to be an Eligible Institution, to the extent reasonably requested), which shall act on a best effort basis, shall be required to select, within 30 calendar days from the relevant downgrading event, another Eligible Institution which will be appointed by the Issuer in order to assume the role of the replaced Agent upon the terms of the Cash Administration and Agency Agreement, agreeing to become a party to the Intercreditor Agreement (and in particular accepting the subordination of its claims against the Issuer) and to any other relevant Transaction Document.

In the event that (i) any of the English Transaction Bank, the Transaction Bank, the Agent Bank, the Principal Paying Agent and the Irish Paying Agent gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement and (ii) the

Issuer revokes the appointment of any of the Cash Manager, the English Transaction Bank, the Transaction Bank, the Agent Bank, the Principal Paying Agent and the Irish Paying Agent in accordance with clause 13.2 of the Cash Administration and Agency Agreement and (iii) by the tenth calendar day before the expiry of such notice a Successor has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, the resigning agent may itself, following such consultation with the Issuer as is practicable in the circumstances and subject to written consent of the Representative of the Noteholders, appoint as its Successor any reputable and experienced financial institution, which, in the case of the Principal Paying Agent, the English Transaction Bank the Cash Manager and the Transaction Bank shall qualify as an Eligible Institution, and shall give notice of such appointment to the Issuer, the Representative of the Noteholders, the remaining Agents and the Rating Agencies, 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.

Upon any termination, resignation or revocation taking effect under the Cash Administration and Agency Agreement, the relevant Agent shall:

- (i) be released and discharged from its obligations under the Cash Administration and Agency Agreement (save that it shall remain entitled to the benefit of and subject to clause 11.3, clause 12 and clause 13 of the Cash Administration and Agency Agreement);
- (ii) in the case of the Principal Paying Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Principal Paying Agent of the records maintained by it in accordance with the relevant provisions of the Cash Administration and Agency Agreement;
- (iii) in the case of the Agent Bank and the Computation Agent, deliver to the Issuer and its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Agent Bank and the Computation Agent, of the records maintained by it in accordance with the relevant provisions of the Cash Administration and Agency Agreement;
- (iv) forthwith transfer all records and papers to its successor and, until the immediately following Payment Date (included), provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder; and
- (V) promptly transfer the amount or securities (if any) held on behalf of the Issuer on the corresponding account, opened with its Successor.

THE COMPUTATION AGENT

The computation agent is KPMG Fides Servizi di Amministrazione S.p.A. (“KPMG”).

KPMG Fides Servizi di Amministrazione S.p.A., a joint stock company, incorporated under the laws of the Republic of Italy, providing professional accounting activities, among which are computation agency activities in the framework of securitisation transactions, whose registered office is at Via Vittor Pisani 27, Milan, Italy, with Fiscal Code, VAT and registration with the Milan Register of Enterprises No. 00731410155, acting through its office in Rome, Via Eleonora Duse 53, in its capacity as computation agent under the Cash Administration and Agency Agreement (the “**Computation Agent**”), in order to perform certain calculations pursuant to the Transaction Documents.

The information contained herein relates to KPMG and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of KPMG 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, KPMG agrees to perform the obligations required to be performed by itself or the Issuer under Condition 6.3 (*Determination of Interest Rate, Calculation of Interest Amount and Additional Return*) and Condition 7.7 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, the Computation Agent may resign its appointment without being requested to give any reason and without being responsible for any damages, cost, expenses, losses or liabilities whatsoever occasioned which may be caused as a result of such resignation, upon not less than 90 (ninety) days' notice to the Issuer (with a copy to the Rating Agencies and to the Principal Paying Agent) provided that certain conditions are met; on the other hand, the Issuer may revoke the appointment of the Computation Agent, subject to the prior written approval of the Representative of the Noteholders (other than in case the Computation Agent being the same entity as the Representative of the Noteholders) and prior written notice to the Rating Agencies, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders, the Security Trustee and the Principal Paying Agent); 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 (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a 5 (five) Business Days notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders (other than in case the Computation Agent being the same entity as the Representative of the Noteholders), if **(a)** it becomes incapable of acting also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or **(b)** it becomes unable to pay its debts as they fall due; or **(c)** it 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 its winding-up; or **(e)** any event occurs which has an analogous effect to any of the foregoing, or **(f)** in any case of just cause (*giusta causa*).

In the event that (i) the Computation Agent gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, (ii) the Issuer revokes its appointment in accordance with clause 13.2 of the Cash Administration and Agency Agreement, and (iii) by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with clause 13.4 of the Cash

Administration and Agency Agreement, the resigning agent may itself, following such consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, provided that, in any case, the effectiveness of such appointment shall be conditional upon such successor becoming a party to the Intercreditor Agreement and to any other relevant Transaction Document in accordance with the Intercreditor Agreement. The Issuer shall forthwith give notice of any such appointment to Monte Titoli and the Rating Agencies.

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 OPERATING BANK

Invest Banca S.p.A. shall act as Operating Bank pursuant to the Cash Administration and Agency Agreement.

Invest Banca S.p.A., a bank operating in Italy as a *società per azioni*, having its registered Office at Via L. Cherubini 99, 50053 Empoli, Italy, registered with the Companies' Register of Firenze under number 02586460582 and with the register of banks held by the Bank of Italy under number 3017.

Invest Banca S.p.A was incorporated as a Società per Azioni (S.p.A.), a limited liability company on 12th December 1995.

As at 31st December 2011, Invest Banca S.p.A had a paid-in share capital of Euro 15,300,000.

During 1997, CABEL Holding in connection with other cooperative banks (including Banca di Credito Cooperativo di Fornacette, Banca di Credito Cooperativo di Castagneto and Banca Popolare di Lajatico), bought a stake of nearly 30% of Invest Banca also by means of a merger with CABEL SIM. The actual ownership of Invest Banca is the following:

Cabel Holding: 19.90%
Banca Popolare del Cassinate: 17.96%
Banca Popolare del Frusinate: 9.95%
Banca di Viterbo: 9.50%
Banca Popolare di Lajatico: 7.36%
BCC di Cambiano: 7.22%
BCC di Fornacette: 4.17%
BCC di Castagneto C.: 4.17%
Banca Popolare di Cortona: 3.19%
Other shareholders: 16.58%

The bank is focused on asset management services, particularly fixed income, fund management and selection and securities brokerage. In addition Invest Banca provides administrative services to banks and securitisation SPV.

As of the closing of 2011 balance sheet, Invest Banca boasts over 4 billion Euro in asset under management and administration, net profit of 1,5 Mn Euro, net equity of 26,02 Mn Euro and a Tier 1 capital ratio of 33.4%

The Bank headquarter in Empoli and the two main branches (in Rome and in Florence) employ 44 people as from September 2012.

The information contained herein relates to Invest Banca and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Invest Banca since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

COLLECTION POLICY AND RECOVERY PROCEDURES

Each of the Originators has a dedicated *Servicing Department* at its head office to oversee the servicing and recovery of loans.

The *Servicing Department* monitors on a daily basis all loans which have one or more instalments unpaid.

The Originators also have departments at each branch that monitor delinquencies on a daily basis and follow the collection steps outlined below.

CREDIT REVIEW, MONITORING AND PRECAUTIONARY ACTIONS

On a daily basis the *servicing department* is responsible for credit monitoring of all loans which have at least one instalment unpaid.

The Originators also have departments at each branch level that monitor delinquencies and loans with instalments unpaid.

The Originators use a risk scoring system developed by the Cabel Group which is fully integrated with the bank's IT systems and so can be updated on a monthly basis. Besides the Originators all have access to ASTRA system from Bank of Italy and do use the system on a regular basis to verify the results of the Cabel risk scoring system.

The Originators use that risk scoring system in order to control and verify the use of lending approved, on a single loan and at aggregate level, that procedure covers all the banks portfolio's loans.

PROCEDURES AND INDEXES FOR CREDIT DETECTION

The risk scoring system firstly generates two values on a monthly basis for each client to whom the bank provides credit.

For each client the risk scoring produces a score of "Risk" and a score of "Immobilization" as described below:

(A) Risk Index

The Risk index is a measure from 0 to 100+, where 0 corresponds to an absence of anomalies.

The risk index is based principally on any anomalies arising in the debt service history of the customer, in particular any failure to make timely payments of instalments or the breach of overdraft limits. Customers are classified according to the risk index measure as detailed in Figure below:

Risk Index

Customer Classification	BCC Fornacette	BCC Castagneto	BP Lajatico
Normale (Class A)	<= 49	<= 49	<= 49
Medio (Class B)	50 to 79	50 to 79	50 to 79
Medio – Alto (Class C)	80 to 100	80 to 100	80 to 99
Alto (Class D)	> 100	> 100	> 99

(B) Capital Immobilisation Index

The Capital Immobilisation Index is a measure from 0 to 100+, where 0 corresponds to an absence of anomalies.

This index is based on the utilisation patterns of credit lines, in particular any revolving facilities such as a customer's current account.

Capital Immobilisation Index

Customer Classification	BCC Fornacette	BCC Castagneto	BP Lajatico
Normale (Class A)	<= 49	<= 49	<= 39
Medio (Class B)	50 to 74	50 to 74	40 to 59
Medio – Alto (Class C)	75 to 100	75 to 100	60 to 79
Alto (Class D)	> 100	> 100	> 79

The risk scoring system generates an overall risk score for the customer using the sum of 100% of the risk index and 50% of the Capital Immobilisation Index.

The Banks use the result of that risk scoring system in order to decide if renew the lending and/or finance the clients.

Overall risk scores are produced on a monthly basis and historical values are retained so that any risk trends can be identified. In addition, the system produces monthly reports that show the number and value of loans at certain overall risk scores.

Each bank could personalise the scoring parameters.

CLASSIFICATION AND MANAGEMENT OF ANOMALOUS POSITIONS

The *Servicing Department* monitors on a daily basis all loans which have one or more instalments unpaid.

The Originators also have departments at each branch that monitor delinquencies on a daily basis and follow the collection steps outlined below:

1. If an instalment is unpaid 15 days from the due date the branch will contact the relevant borrower to ask for an explanation of the failure to pay.

2. If the initial contact does not result in payment then a first written reminder will be sent to the customer.
3. If the first written reminder does not generate a payment within approximately 30 to 45 days then the delinquency is passed from the branch to the head office servicing department and classified as being a 'Posizione in Amministrazione Speciale' (or 'Position in Extraordinary Administration'). At this stage the borrower is informed of the change in status and sent a second written request for payment.
4. If no response is received following step 3 above and the customer has made no payment for approximately 120 days, then the bank may notify the borrower of the acceleration of the loan ('Decadenza dal Beneficio del Termine') and the client is required to pay all overdue and future instalments, together with all interest accrued on the unpaid instalments. This step will only be taken if the borrower has failed to make any payment and all efforts to prepare an agreed payment plan have failed.
5. If no acceptable response is received from the customer or no rescheduling plan is negotiated in the three weeks following the acceleration of the loan, then the loan is declared non-performing and classified as sofferenza. Once a loan is classified as sofferenza, the Originator is obliged to notify the *Centrale dei Rischi* agencies, advising of the defaulting borrower's status. Rescheduling plans negotiated with the customer may include changes to the mortgage term.

RECOVERY PROCEDURES

The Originators always favour out of court settlements on defaulted loans where possible. However, if it is concluded that an out of court recovery is not going to produce an acceptable result, then the loan file will be passed to external lawyers who will commence legal proceedings, including repossession of the mortgaged property. All cases passed to external lawyers are monitored by the bank's legal department.

The relevant Tribunals are Pisa and Pontedera for BCC Fornacette, Livorno and Grosseto for BCC Castagneto, Pisa and Pontedera for Bp Lajatico.

The timing of recovery varies depending on the courts of reference and is approximately: 3/4 years for BCC Fornacette and BCC Castagneto and 3 years for BP Lajatico.

USE OF PROCEEDS

The proceeds arising out of the Notes, being Euro 386,104,000 of which Euro 240,400,000 of the Class A Notes and Euro 145,704,000 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the purchase price of the Portfolios, the Retention Amount and the Reserve Amount.

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. 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.

General

Pursuant to three transfer agreements, each entered into on 18 February 2013, between the Issuer and BCC Fornacette (the “**BCC Fornacette Transfer Agreement**”), between the Issuer and BP Lajatico (the “**BP Lajatico Transfer Agreement**”) and between the Issuer and BCC Castagneto (the “**BCC Castagneto Transfer Agreement**”) and together with the BCC Fornacette Transfer Agreement and the BP Lajatico Transfer Agreement, the “**Transfer Agreements**”):

- (a) BCC Fornacette sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims and connected rights arising out of the relevant Loans (the “**BCC Fornacette Portfolio**”) granted by the BCC Fornacette to the Borrowers with economic effect as of the Effective Date;
- (b) BP Lajatico sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims and connected rights arising out of the relevant Loans (the “**BP Lajatico Portfolio**”) granted by the BP Lajatico to the Borrowers with economic effect as of the Effective Date; and
- (c) BCC Castagneto sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims and connected rights arising out of the relevant Loans (the “**BCC Castagneto Portfolio**”) granted by the BCC Castagneto to the Borrowers with economic effect as of the Effective Date.

The Purchase Price

- (A) As consideration for the acquisition of the BCC Fornacette Portfolio pursuant to the BCC Fornacette Transfer Agreement, the Issuer has undertaken to pay to BCC Fornacette a price equal to Euro 137,287,974.93 (the “**BCC Fornacette Purchase Price**”);
- (B) as consideration for the acquisition of the BP Lajatico Portfolio pursuant to the BP Lajatico Transfer Agreements, the Issuer has undertaken to pay to BP Lajatico a price equal to Euro 112,975,170.09 (the “**BP Lajatico Purchase Price**”); and
- (C) as consideration for the acquisition of the BCC Castagneto Portfolio pursuant to the BCC Castagneto Transfer Agreement, the Issuer has undertaken to pay to BCC Castagneto a price equal to Euro 125,609,898.81 (the “**BCC Castagneto Purchase Price**”).

Key features of the sales of the Portfolios

The Portfolios have been transferred in accordance with Law 130 and subject to the satisfaction of certain

conditions set forth in the Transfer Agreements.

The Claims

Pursuant to the relevant Transfer Agreement, each of the Originators has represented and warranted that the Claims have been selected on the basis of objective criteria (the “**Criteria**”) in order to ensure that the Claims have the same legal and financial characteristics. See the section headed “*The Portfolio*”.

Price adjustment

The Transfer Agreements provide that, if after the Initial Transfer Date, it transpires that (i) any Claim does not meet the Criteria, then such Claim will be deemed not to have been assigned and transferred to the Issuer pursuant to the Relevant Transfer Agreement, and (ii) any Claim which meets the Criteria has not been included in the list of Claims, then such Claim shall be deemed to have been assigned and transferred to the Issuer by BCC Fornacette or BP Lajatico or BCC Castagneto, as the case may be, pursuant to the relevant Transfer Agreement. The relevant purchase price shall be adjusted to take into account the additional payment or the reimbursement to be made for any such Claim, as the case may be.

In the case of a Claim which does not meet the Criteria, BCC Fornacette or BP Lajatico or BCC Castagneto or the Issuer, as the case may be, shall communicate such circumstance to the other party, and BCC Fornacette or BP Lajatico or BCC Castagneto, as the case may be, following such communication, will pay to the Issuer an amount equal to (i) the Individual Purchase Price which has been paid for such Claim; plus (ii) any accrued and accruing interest on such amount (lowered, following the first Payment Date, of an amount equal to the sum of the Principal Component of all the Instalments paid with reference to the relevant Claims from the Effective Date) from the Issue Date until the Individual Purchase Price Payment Date, calculated at an annual rate equal to the average weighted interest rate applied to the Class A Notes from the Issue Date (inclusive) until the Individual Purchase Price Payment Date; less (iii) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim and the respective Insurance Policy after the Effective Date (which will be retained by the Issuer on a permanent basis), provided that in case the communication above indicated is received within three Business Days before the Issue Date, this provision will not apply and the relevant purchase price to be paid by the Issuer to BCC Fornacette or BP Lajatico or BCC Castagneto, as the case may be, will be reduced of an amount equal to the Individual Purchase Price of such Claim.

In the case of a Claim which meets the Criteria but was not included in the relevant Transfer Agreement, the Issuer will correspond to BCC Fornacette or BP Lajatico or BCC Castagneto, as the case may be, on the relevant Payment Date, an amount equal to (i) the purchase price which would have been payable for such Claim pursuant to the relevant Transfer Agreement; less (ii) the aggregate of all sums recovered and collected by BCC Fornacette or BP Lajatico or BCC Castagneto, as the case may be, in respect of such Claim after the 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 including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of the Warranty and Indemnity Agreement and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered offices of the Representative of the Noteholders. 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 Warranty and Indemnity Agreement.

General

Under a warranty and indemnity agreement entered into on 18 February 2013, as subsequently amended and supplemented, between the Issuer and the Originators (the “**Warranty and Indemnity Agreement**”), the Originators give certain representations and warranties as to, *inter alia*, the Claims they transferred pursuant to the Transfer Agreements, the respective Loans and the Insurance Policies, their full title over such Claims, their corporate existence and operations and their collection and recovery policy. Moreover the Originators has 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 the Originators in the Warranty and Indemnity Agreement or any default of the Originators under the Warranty and Indemnity Agreement and/or the Transfer Agreements and/or the Servicing Agreement and/or the other Transaction Documents.

Representations and warranties of the Originator

Under the Warranty and Indemnity Agreement, the Originators represented and warranted each with respect to itself and the Claims they sold or agreed to sell to the Issuer under the Transfer Agreements, the Loans, the Mortgage Loans, the Mortgages securing them and the Insurance Policies, as to, *inter alia*, the following matters:

General

- (a) it is a bank duly incorporated as a *società cooperativa per azioni* and validly existing under the laws of the Republic of Italy;
- (b) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is party, and it has taken all necessary actions whatsoever required to authorise its entry into, delivery and performance of the Warranty and Indemnity Agreement and the other Transaction Documents to which is party, and the terms thereof, including, without limitation, the sale and assignment of the Claims;
- (c) the execution, delivery and performance by it of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is party, 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;

- (d) provisions of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is party are legal, valid and binding and are enforceable against it in accordance with its terms; and its payment obligations under the Warranty and Indemnity Agreement constitute claims against it which rank at least *pari passu* with the claims of all other unsecured creditors under the laws of the Republic of Italy apart from any preferential creditors under any applicable insolvency laws or similar legislation;
- (e) 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 Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (f) 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 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;
- (g) since 1 January 2012, there has been no material adverse change in its financial or operative condition which would adversely affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (h) the information relating to itself (including, without limitation, information with respect to its mortgage loan business), the Claims, the Loans and the Insurance Policies supplied to the Issuer is true and correct in all material respects.

The Claims, the Loans and the Real Estate Assets

- (i) it holds sole and unencumbered legal title to the Claims, the Loans, the Mortgages and the Insurance Policies; 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 Claims, the Loans, the Mortgages and the Insurance Policies;
- (j) the Claims, the Loans, the Mortgages and the 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 (including, *inter alia*, the provisions under article 38 *et seq* of the Consolidated Banking Act, where applicable) 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;
- (k) 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;
- (l) the sale of the Claims to the Issuer pursuant to the relevant Transfer Agreement will not affect the obligation of the related Borrower or Insurance Company under the relevant Loans or Insurance Policies;
- (m) the Claims have been selected by it on the basis of the Criteria so as to constitute a portfolio of homogeneous rights within the meaning and for the purposes of Law 130;

- (n) 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, the Mortgages and/or the Insurance Policies 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, the Mortgages and/or the Insurance Policies have been duly paid;
- (o) all the Claims deriving from Mortgage Loan Agreements are assisted by Insurance Policies, all the Insurance Policies are valid and effective and indicate the relevant Originator as beneficiary of any indemnity to be paid thereunder, directly or by virtue of an appendix (*appendice di vincolo*) in its favour;
- (p) it has maintained complete, proper and up-to-date books, records and documents for the Claims, the Loans and the Mortgages and all other amounts paid thereunder, and all such books and documents are kept in its possession or are held to its order;
- (q) the Real Estate Assets are located in Italy;
- (r) to its best knowledge, each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;
- (s) to its best knowledge, 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;
- (t) to its best knowledge, each of the Real Estate Assets (i) is marketable (*non soggetto a vizio di incommerciabilità*), and (ii) complies with all applicable planning and building laws and regulations;
- (u) each of the Real Estate Assets is duly registered with the competent land registries and meets the legal requirements for habitation (*agibilità*), as resulting from the appraisals (*perizie*) enclosed to the relevant Loan Agreements.
- (v) not less than 94.6% (determined on the Effective Date) of the Mortgage Loans comprised in the BCC Fornacette Portfolio (as for principal amount outstanding on the Effective Date) are secured by a first economical Mortgage priority (*ipoteca di primo grado economico*);
- (w) not less than 97.7% (determined on the Effective Date) of the Mortgage Loans comprised in the BCC Castagneto Portfolio (as for principal amount outstanding on the Effective Date) are secured by a first economical Mortgage priority (*ipoteca di primo grado economico*);
- (x) not less than 99% (determined on the Effective Date) of the Mortgage Loans comprised in the BP Lajatico Portfolio (as for principal amount outstanding on the Effective Date) are secured by a first economical Mortgage priority (*ipoteca di primo grado economico*);
- (y) no Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the guidelines of the European Central Bank of 2 August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;
- (z) the Loans comprised in the Portfolios do not include at the Transfer Date and will not include at the Issue Date, non performing loans pursuant to the guidelines of the European Central Bank of

2 August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

- (aa) no Borrower is (i) a public administration; (ii) a public entity or (iii) an ecclesiastic entity;
- (bb) no Loan Agreement could be classified as leasing agreement;
- (cc) the Borrowers are all qualified as micro, small and medium enterprises (*microimpresa, piccole imprese e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 2 August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;
- (dd) all the Borrowers which are individuals (*persone fisiche*) are resident in Italy;
- (ee) all the Borrowers which are entities (*enti giuridici*) are incorporated in Italy and have their registered office in Italy;
- (ff) all the Borrowers' guarantors are incorporated or resident in a Member State of the European Economic Area.

Undertakings of the Originators

Under the Warranty and Indemnity Agreement, each of the Originators has undertaken, with respect to itself, the Claims, the respective Loans, the Mortgages securing them and the Insurance Policies, *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 Claims which may adversely affect them, and in particular: before the date of publication of the applicable notice of assignment of the Claims in the Official Gazette and registration of the assignment of the Claims in Companies' Register; (i) not to assign and/or transfer, the whole or any part of, any of the 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 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 Loans or of the Insurance Policies 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 Loans;
- (c) not to instruct any Borrower, guarantor or Insurance Companies to make any payment with respect to any of the Claims differently from as provided for in the Transaction Documents or as instructed in writing by the Issuer;
- (d) otherwise than in its capacity as Servicer in accordance with the relevant provisions of the Servicing Agreement, not to take any action likely to cause or permit any of the 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 Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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 Claims;
- (g) to assist and fully co-operate with the Issuer in any due diligence relating to the Claims which the Issuer may wish to carry out after the date of the Warranty and Indemnity Agreement;
- (h) to maintain in a safe place, in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Loans, the Mortgages and the Insurance Policies;
- (i) to comply with all applicable laws and regulations (including all rules, orders and instruments) with respect to the Claims, the Loans, the Mortgages, the Insurance Policies 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 Claims, to copy them and to discuss any issues concerning the 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 Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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 Loans, the Mortgages and/or the Insurance Policies which might adversely affect the timely recovery of the Claims, the ability of the Issuer to enforce its rights, claims, powers and benefits against the Borrowers, the guarantors and/or the Insurance Companies or the validity of the Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims;
- (m) to assist and support the Issuer or its nominee in the development of adequate data reporting systems concerning the Claims by transferring to the Issuer books, records and documents which may be useful or relevant for implementing a data reporting system which would allow the Issuer to achieve full compliance with all applicable laws and regulatory reporting regulations and requirements.

Indemnity

Under the Warranty and Indemnity Agreement, 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:

- (a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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 Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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 Claims, the Loans, the Mortgages, the Real Estate Assets and the 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 (other than discharge in bankruptcy or winding up by reason of insolvency or similar event) of the Borrowers, the guarantors or the Insurance Companies to the payment of any Claim;
- (e) any judicial or out of court set-off of the assigned Borrower in relation to the payment of any Claim arising before or after the execution date of the Warranty and Indemnity Agreement under the Loans or under or pursuant to any contract, deed, document, action, event or circumstance;
- (f) the failure by the Issuer to collect or recover the Claims as a result of the exercise of the right to terminate, void or withdraw from a Loan Agreement, collateral security or any act or document connected thereto.

Usury

Under the Warranty and Indemnity Agreement, the Originator represented to the Issuer that the interest rates of the Loans comply with the Usury Law and 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 Agreement is in Italian. The Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity 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 Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement, the Parties shall 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. 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

General

On 18 February 2013, the Issuer and the Originators (each in such capacity, a “**Servicer**” and together the “**Servicers**”) entered into a servicing agreement, (the “**Servicing Agreement**”), pursuant to which (a) BCC Fornacette has agreed to administer and service the BBC Fornacette Portfolio on behalf of the Issuer; (b) BP Lajatico has agreed to administer and service the BP Lajatico Portfolio on behalf of the Issuer; (c) BCC Castagneto has agreed to administer and service the BCC Castagneto Portfolio on behalf of the Issuer; including in each case the collection of, and the management of judicial proceedings in relation to, the Claims.

The receipt of cash collections in respect of the Portfolios is the responsibility of the relevant Servicer who will be the *soggetto incaricato della riscossione dei crediti ceduti e responsabile della verifica della conformità delle operazioni alla legge e al prospetto informativo* pursuant to article 2(3)(c) and (6)-bis of the Securitisation Law and accordingly is responsible for ensuring that such operations comply with the provisions of the law and of this Offering Circular.

Pursuant to the terms of the Servicing Agreement, the Servicers shall comply with certain collection policies specified in the Servicing Agreement, (the “**Collection Policy**”) in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide the Issuer with quarterly reports (the “**Quarterly Servicing Report**”). 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. Each Servicer shall credit any amount collected or recovered by it in respect of the Relevant Portfolio (the “**Collections**”) into the Relevant Collection Account within the Business Day following the date of the relevant receipt. Each Servicer will convert any non-cash collections received by it into equivalent amounts of cash and will credit such cash to the relevant Collection Account.

Each Servicer shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement. In particular, the Servicing Agreement entitles each Servicer, among other things (and in case it is deemed necessary for the purpose of a more efficient administration of the Claims), to: (i) grant its consent to the partial release of the payments of the Borrowers in relation to the Defaulted Claims (“*crediti in sofferenza*”), (ii) enter into settlement agreements or agreements which grant deferments or suspensions of payments in relation to the Defaulted Claims (“*crediti in sofferenza*”), (iii) renegotiate the terms of the Loan Agreements in relation to Claims other than Defaulted Claims (“*crediti in sofferenza*”), or (iv) restrict or reduce the Mortgages, in any case within the limits set forth by, and according to the

terms and conditions of, clause 7.2, 7.3 and 7.4 of the Servicing Agreement.

As an alternative to the renegotiation power granted to each Servicer and in order to allow the Originators to keep good relationships with the Borrowers, the Originators have been granted the power to propose offers to repurchase the Claims sold by it provided that

- (i) the aggregate amount of each offer made by each Originator, plus the amount of the other offers already accepted by the Issuer in the same year, is not higher than 4% of the principal amount outstanding of all of the Claims assigned by the relevant Originator pursuant to the relevant Transfer Agreement as of the Effective Date, and
- (ii) the aggregate amount of each offer made by each Originator, plus the amount of the other offers already accepted by the Issuer, is not higher than 10% of the principal amount outstanding of all of the Claims assigned by the relevant Originator pursuant to the relevant Transfer Agreement as of the Effective Date.

The Issuer may accept such offer provided that it shall be bound to provide a reasonable motivation in case it decides not to accept it. The limits set out in points (i) and (ii) above shall apply only for the offers regarding claims classified as “*in bonis*” pursuant to Bank of Italy supervisory regulations (*Istruzioni di Vigilanza*).

Pursuant to clause 7.7 of the Servicing Agreement, the renegotiation activities provided by clause 7 therein (save for those provided by or required by law) may be carried out only by the Servicers, with express exclusion of any successor thereto (including the Back-Up Servicers).

Fees and expenses

As consideration for the services provided by each the Servicers, the Issuer will pay to it on each Payment Date, in accordance with the applicable Order of Priority: the sum of the following amounts: (a) 0.25% (zero point twenty five per cent) of the Collections in respect of the Claims not being Defaulted Claims (*Crediti in Sofferenza*) or Impaired Claims (*Crediti Incagliati*) collected by the Servicers during the immediately preceding Collection Period; and (b) 1% (one per cent) of the Collections collected by the Servicers during the immediately preceding Collection Period in respect of any Claim classified as Defaulted Claim (*Credito in Sofferenza*) and Impaired Claim (*Credito Incagliato*) (the “**Servicing Fees**”).

The Servicing Fees shall be considered as inclusive of VAT (if applicable) and of the expenses and fees (including the fees of external counsels and the judicial expenses (including taxes)) incurred by the Servicers in connection with its servicing activities.

The Servicers have expressly waived their rights to compensation 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 Servicers to the Issuer, except for those amounts paid to the Issuer and undue.

Undertakings of the Servicers

Each of the Servicers has undertaken, with respect to the Claims of the Relevant Portfolio assigned by them in their quality of Originators, *inter alia*:

- (a) to carry out the Administration of the Portfolios and the Management of the Defaulted Claims with due skill and care in accordance with the relevant Collection Policy and with all applicable

laws and regulations;

- (b) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;
- (c) 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 Claims of the Relevant Portfolio unless ordered to do so by a competent judicial or other authority or by the Issuer;
- (d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the Servicers;
- (e) to ensure that the Transaction is consistent with the law and this Offering Circular;
- (f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement.

In the case of a material breach by the relevant Servicer of its obligations under the Servicing Agreement, with respect to the Administration of the Portfolios and/or the Management of the Defaulted Claims, 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 it to be performed by third parties in the name and on behalf of the Servicers.

Termination of the appointment

The Issuer (with the cooperation of the Corporate Services Provider) may terminate the appointment of any of the Servicers in certain circumstances including, *inter alia*, (i) the occurrence of an event which may negatively affect the legal, economic and financial condition of any of the Servicers to a point capable of prejudicing the capacity of such Servicer to perform its obligations under the Servicing Agreement; in this case, the substitution shall occur upon prior written consent of the Representative of the Noteholders which will act in accordance with the Intercreditor Agreement and the Conditions; (ii) the insolvency of any of the Servicers, (iii) a breach of the Servicing Agreement, which remains unremedied for a period longer than 10 calendar days after a written request to comply with its obligations from the Issuer and/or the Representative of the Noteholders, and (iv) the failure by any of the Servicers to pay or transfer to the Issuer any amount due by it pursuant to the Servicing Agreement, within 5 Business Day from the date in which such payment or transfer was due to be made (except in case such failure is due to technical reason, inevitable accident (*caso fortuito*) or force majeure (*forza maggiore*)). It is agreed that the termination of each of the Servicers shall become effective on the day after such Servicer has received notice from the Issuer or the Representative of the Noteholders (in the name and on behalf of the Issuer) of the termination of its appointment and only upon the Substitute Servicer or the relevant Back-Up Servicers taking over the activities to be performed under the Servicing Agreement. In case of the occurrence of a termination event with respect to the relevant Servicer pursuant to the Servicing Agreement, such Servicer shall promptly notify the Borrowers of such termination and shall instruct such Borrowers to pay any future amount related to the Claims into the relevant Collection Account.

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 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 Servicing Agreement and all non contractual obligations arising out of or in connection with the Servicing Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE BACK-UP SERVICING AGREEMENT

Under a back-up servicing agreement entered into on or prior to the Issue Date between the Issuer, the Servicers and the Back-up Servicers, 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) BCC Fornacette (firstly) and BP Lajatico (secondly) will act as substitute of BCC Castagneto as servicer; (ii) BP Lajatico (firstly) and BCC Castagneto (secondly) will act as substitute of BCC Fornacette as servicer; (iii) BCC Fornacette (firstly) and BCC Castagneto (secondly) will act as substitute of BP Lajatico as servicer (the “**Back-Up Servicing Agreement**”). 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. 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 Transaction Documents.

THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement entered into on or prior the Issue Date between the Issuer and the Corporate Services Provider (the “**Corporate Services Agreement**”), the Corporate Services Provider shall provide the Issuer with certain corporate administration and management services. These services shall 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 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 including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE INTERCREDITOR AGREEMENT

Pursuant to an intercreditor agreement to be entered into on or prior to the Issue Date (the “**Intercreditor Agreement**”), among the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) and the Other Issuer Creditors, provisions are made as to the application of the Collections in respect of the Portfolios and as to how the Orders of Priority are to be applied. 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.

Call Option

The Issuer shall grant to each of the Originators an option right on any Payment Date falling on or after the Initial Clean Up Option Date to purchase, subject to certain conditions, the Relevant Portfolio (in whole but not in part) for a purchase price equal to the Outstanding Balance, plus interests accrued and unpaid as at such date, of each Claim comprised in the Relevant Portfolio, provided that, if on such date the Relevant Portfolio comprises any claim classified as “*in sofferenza*” or “*incagliato*” pursuant to the regulation issued by the Bank of Italy, the purchase price of such claim shall be equal to their current value, as determined by a third entity appointed by the relevant Originator and the Issuer and, in any case, such purchase price shall be equal to or higher than the amount (as determined in the relevant Payments Report) necessary for the Issuer to discharge all its outstanding liabilities in respect of the Rated Notes and any amounts required under the Intercreditor Agreement to be paid in priority to or *pari passu* with

the Rated Notes.

THE DEED OF PLEDGE

Pursuant to a deed of pledge to be entered into on or prior the Issue Date (the “**Deed of Pledge**”) between the Issuer, the Noteholders (acting through the Representative of the Noteholders), and the Other Issuer Creditors (acting through the Representative of the Noteholders) (the “**Pledgees**”), the Issuer will grant to the Pledgees as security for its obligations under the Transaction Documents: (i) a pledge over all the monetary contractual claims arising from the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Cash Administration and Agency Agreement (other than the positive balance of the Accounts), the Subscription Agreement, the Intercreditor Agreement and the Corporate Services Agreement; and (ii) a pledge over the positive balance of the Accounts (other than the Expenses Account, the Quota Capital Account and the Investment Accounts) at the signing date of the Deed of Pledge and thereafter only if such positive balances arise from the collection of the Claims.

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 including all non contractual obligations thereof, 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 to be entered into on or prior to the Issue Date among, *inter alios*, the Issuer, the Servicers, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Cash Manager, the Computation Agent, the Irish Paying Agent, the Principal Paying Agent, the Representative of the Noteholders and the Agent Bank (the “**Cash Administration and Agency Agreement**”):

- (a) the Principal Paying Agent will perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders;
- (b) the Agent Bank will calculate the amount of interest payable on the Notes on each Payment Date;
- (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 Paying Agent will act as agent for the Issuer in Ireland; and
- (e) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager 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 including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Issue Date among BCC Fornacette, BP Lajatico and BCC Castagneto (collectively, the “**Subscribers**”), the Issuer, the Representative of the Noteholders and the Arranger (the “**Subscription Agreement**”), each of the Subscribers shall subscribe for the Notes and pay to the Issuer the issue price for the Notes and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Subscription Agreement is in English language and all non contractual obligations arising out or in connection with the Subscription Agreement are governed by and construed in accordance with Italian law.

THE DEED OF CHARGE

Pursuant to a deed of charge governed by English law executed by the Issuer on or prior to the Issue Date (the “**Deed of Charge**” and together with the Deed of Pledge, the “**Security Documents**”), the Issuer has charged in favour of the Security Trustee by way of first fixed and floating charge all the Issuer's rights, title, interest and benefit (present and future) actual and contingent in, to and under the Investment Accounts, any credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of the Investment Accounts.

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 QUOTAHOLDERS

Under the terms of an agreement to be entered into on or prior to the Issue Date between the Quotaholders, the Representative of the Noteholders and the Issuer (the “**Agreement between the Issuer and the Quotaholders**”) certain rules shall be set out in relation to the corporate governance of the Issuer.

The Agreement between the Issuer and the Quotaholders is in Italian. The Agreement between the Issuer and the Quotaholders and all non contractual obligations arising out or in connection with the Agreement between the Issuer and the Quotaholders 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 Quotaholders including all non contractual obligations thereof, the Parties have agreed to 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 Issue Date (the “**Stichting Corporate Services Agreement**”) among the Issuer, KPMG Fides Servizi di Amministrazione S.p.A. (the “**Stichting Corporate Services Provider**”), Stichting Wavaburg and Cabel Holding (the “**Quotaholders**”), the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholders.

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 RATED NOTES

Under the Conditions, the Final Maturity Date of the Notes is the Payment Date falling on November 2079 and the Notes will be subject to mandatory redemption in full or in part on the Payment Date falling on 7th May 2013 and on each Payment Date thereafter to the extent that on such Payment Date the Issuer has sufficient available funds to be applied for this purpose in accordance with the applicable Order of Priority. The Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the estimated weighted average lives and estimated maturities of the Class A Notes on the basis of various assumptions regarding annual constant prepayment rates and certain other factors as detailed below.

These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The following tables show the estimated weighted average life and the principal payment window of the Class A Notes and have been, *inter alia*, prepared based on the characteristics of the Claims included in the Portfolios:

- (i) the Issuer will exercise its option to redeem the Notes under Condition 6.4 (*Optional Redemption*);
- (ii) there are no delinquencies or defaults occurred in respect of the Portfolios;
- (iii) the constant prepayment rate, as per the tables below, has been applied to the Portfolios in homogeneous terms;
- (iv) no Trigger Event has occurred in respect of the Notes;
- (v) repayment of principal under the Notes occurs from the First Payment Date;
- (vi) no purchase/sale/indemnity/renegotiations on the Portfolios is made according to the Transaction Documents;
- (vii) no payments are done under items *Fifth*, *Seventh*, *Ninth* and *Eleventh* of each relevant Pre Acceleration Priority of Payments
- (viii) the Class A Notes are issued on 15 March 2013; and
- (ix) no redemption for taxation under Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes.

The actual performance of the Claims are likely to differ from the assumptions used in constructing the tables 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 Claims will cause the estimated weighted average life and the principal payment window of the Class A Notes to differ (which difference could be material) from the corresponding information in the following tables.

Class A1 Notes		
Constant Prepayment Rate (% per annum)	Estimated Weighted Average Life (years)	Estimated Maturity
3%	2.37	05/11/2018
4%	2.24	05/08/2018
5%	2.11	05/05/2018
6%	2.00	05/02/2018
7%	1.90	05/11/2017
8%	1.81	05/08/2017
9%	1.72	05/05/2017
10%	1.64	05/02/2017

Class A2 Notes		
Constant Prepayment Rate (% per annum)	Estimated Weighted Average Life (years)	Estimated Maturity
3%	1.96	05/05/2018
4%	1.85	05/02/2018
5%	1.75	05/11/2017
6%	1.66	05/08/2017
7%	1.58	05/05/2017
8%	1.51	05/02/2017
9%	1.44	05/02/2017
10%	1.38	05/11/2016

Class A3 Notes		
Constant Prepayment Rate (% per annum)	Estimated Weighted Average Life (years)	Estimated Maturity
3%	2.16	05/05/2018
4%	2.04	05/05/2018
5%	1.94	05/02/2018
6%	1.84	05/11/2017
7%	1.75	05/08/2017
8%	1.67	05/05/2017
9%	1.59	05/02/2017
10%	1.52	05/02/2017

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Class A Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest 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 Class A 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 NOTES

*The following is the entire text of the terms and conditions of the Class A 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 and a Class B Note or to a Class A Noteholder and a Class B Noteholder are to the ultimate owners of the Class A Notes and the Class B Notes, as the case may be, issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. (“**Monte Titoli**”) in accordance with the provisions of (i) Article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) Regulation jointly issued on 22 February 2008 by the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) and the Bank of Italy as subsequently amended and supplemented. 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; and (ii) 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 87,800,000 Class A1 Asset Backed Floating Rate Notes due November 2079 (the “**Class A1 Notes**”), the Euro 80,300,000 Class A2 Asset Backed Floating Rate Notes due November 2079 (the “**Class A2 Notes**”) and the Euro 72,300,000 Class A3 Asset Backed Floating Rate Notes due November 2079 (the “**Class A3 Notes**” and together with the Class A1 Notes and the Class A2 Notes, the “**Class A Notes**” or the “**Rated Notes**”), the Euro 53,225,000 Class B1 Asset Backed Floating Rate Notes due November 2079 (the “**Class B1 Notes**”); the Euro 48,729,000 Class B2 Asset Backed Floating Rate Notes due November 2079 (the “**Class B2 Notes**”) and the Euro 43,750,000 Class B3 Asset Backed Floating Rate Notes due November 2079 (the “**Class B3 Notes**” and together with the Class B1 Notes and the Class B2 Notes, the “**Class B Notes**”). The Class A Notes and the Class B Notes, together the “**Notes**”) are issued by Pontormo SME S.r.l. (the “**Issuer**”) on 15 March 2013 (the “**Issue Date**”) in the context of a securitisation transaction (the “**Transaction**”) to finance the purchase of three portfolios of monetary claims and connected rights arising under unsecured and mortgage loans and relevant insurance policies (the “**Portfolios**” and the “**Claims**”, respectively) from Banca di Credito Cooperativo di Fornacette S.c.p.a. (“**BCC Fornacette**”), Banca Popolare di Lajatico S.c.p.a. (“**BP Lajatico**”) and Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a. (“**BCC Castagneto**” and together with BCC Fornacette and BP Lajatico, the “**Originators**”), 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 Portfolios have been purchased pursuant to three transfer agreements entered into on 18 February 2013 between the Issuer and each of the Originators (collectively, the “**Transfer Agreements**”; and respectively the “**BCC Fornacette Transfer Agreement**”, the “**BCC Castagneto Transfer Agreement**” and the “**BP Lajatico Transfer Agreement**”).

In these Conditions, any references to (i) the “**holders of the Rated Notes**” or to the Class A Noteholders are to the beneficial owners of the Rated Notes and 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 Notes and (ii) any reference to a “**Class**” of Notes shall be construed as a reference to the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B1 Notes, the Class B2 Notes or the Class B3 Notes, as the case may be.

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 Issuer's right, 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 right, title and interest in and to the Portfolios and to all the amounts deriving therefrom 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-à-vis* the Other Issuer Creditors.

Under a servicing agreement entered into prior to the Issue Date (the “**Servicing Agreement**”) between the Issuer and each of the Originators as *servicer* (the “**Servicers**”), the Servicers has agreed to provide the Issuer with administration, collection and recovery services in respect of the relevant assigned Claims and to carry out supervising activities with respect to the transaction in order to ensure compliance with the laws to protect the investors, pursuant to article 2, paragraph 6-bis of Securitisation Law.

Under a back-up servicing agreement entered into prior to the Issue Date between the Issuer, the Servicers and BCC Fornacette, BCC Castagneto and BP Lajatico (together the “**Back-up Servicers**” and each a “**Back-up Servicer**”), 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) BCC Fornacette (firstly) and BP Lajatico (secondly) will act as substitute of BCC Castagneto as servicer; (ii) BP Lajatico (firstly) and BCC Castagneto (secondly) will act as substitute of BCC Fornacette as servicer; (iii) BCC Fornacette (firstly) and BCC Castagneto (secondly) will act as substitute of BP Lajatico as servicer (the “**Back-Up Servicing Agreement**”).

Under a warranty and indemnity agreement entered into prior to the Issue Date, as subsequently amended and supplemented, between the Issuer and the Originators (the “**Warranty and Indemnity Agreement**”), the Originators give certain representations and warranties as to, *inter alia*, the Claims they transferred pursuant to the Transfer Agreements, the respective Loans and the Insurance Policies, their full title over such Claims, their corporate existence and operations and their collection and recovery policy. Moreover the Originators has 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 the Originators in the Warranty and Indemnity Agreement or any default of the Originators under the Warranty and Indemnity Agreement and/or the Transfer Agreements and/or the Servicing Agreement and/or the other Transaction Documents.

Under a subscription agreement entered into on or prior the Issue Date, among the Issuer, BCC Fornacette, BP Lajatico and BCC Castagneto (collectively, the “**Subscribers**”), Banca Akros S.p.A. (the “**Arranger**”) and the representative of the Noteholders (the “**Subscription Agreement**”), each of the Originators has subscribed and paid for the Notes upon the terms and subject to the conditions thereof and shall appoint KPMG Fides Servizi di Amministrazione S.p.A to act as the representative of the Noteholders (the “**Representative of the Noteholders**”).

Under a cash administration and agency agreement entered into on or prior the Issue Date (the “**Cash Administration and Agency Agreement**”) among the Issuer, KPMG Fides Servizi di Amministrazione S.p.A. as Representative of the Noteholders, computation agent (the “**Computation Agent**”) and security trustee (the “**Security Trustee**”), Invest Banca S.p.A. as operating bank (the “**Operating Bank**”), The Bank of New York Mellon, acting through its London Branch, as English transaction bank (the “**English Transaction Bank**”) and cash manager (the “**Cash Manager**”), The Bank of New York Mellon,

(Luxembourg) S.A. Italian Branch as transaction bank (the “**Transaction Bank**”), principal paying agent (the “**Principal Paying Agent**”) and agent bank (the “**Agent Bank**”), The Bank of New York Mellon SA/NV, Dublin Branch as Irish paying agent (the “**Irish Paying Agent**”) and together with the Principal Paying Agent, the “**Paying Agents**”), the Originators, and the Servicers: (i) the Principal Paying Agent has agreed to carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes; (iii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and will set out, in a payments report, the payments due to be made under the Notes on each Payment Date; and (iv) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager have agreed to provide certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the relevant Accounts.

Under a corporate services agreement entered into on or prior the Issue Date (the “**Corporate Services Agreement**”) between the Issuer and Cabel Holding S.p.A. as corporate services provider (the “**Corporate Services Provider**”), the Corporate Services Provider has agreed to provide the Issuer with certain corporate administration services.

Under a deed of pledge entered into on or prior to the Issue Date (the “**Deed of Pledge**”) among the Issuer, the Noteholders, acting through the Representative of the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the “**Pledgees**”), the Issuer has granted the Pledgees (i) a pledge over all the monetary contractual claims arising from the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Cash Administration and Agency Agreement (other than the positive balance of the Accounts), the Subscription Agreement, the Intercreditor Agreement and the Corporate Services Agreement; and (ii) a pledge over the positive balance of the Accounts opened in Italy with the Transaction Bank at the signing date of the Deed of Pledge and thereafter only if such positive balances arise from the collection of the Claims.

Under an intercreditor agreement entered into on or prior to the Issue Date (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 Subscribers, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Computation Agent, the Servicers, the Paying Agents, the Cash Manager, the Stichting Corporate Services Provider, the Security Trustee, the Originators and the Back-Up Servicers, the application of the Issuer Available Funds (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.

Pursuant to a deed of charge governed by English law executed by the Issuer on or prior to the Issue Date (the “**Deed of Charge**”) and together with the Deed of Pledge, the “**Security Documents**”), the Issuer has charged in favour of the Security Trustee by way of first fixed and floating charge all the Issuer's rights, title, interest and benefit (present and future) actual and contingent in, to and under the Investment Accounts, any credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of the Investment Accounts.

Under an agreement entered into on or prior to the Issue Date among Cabel Holding S.p.A. (“**Cabel**”), Stichting Wavaburg (“**Stichting**”) and together with Cabel the “**Quotaholders**”), the Issuer and the Representative of the Noteholders (the “**Agreement between the Issuer and the Quotaholders**”), certain rules have been set out in relation to the corporate management of the Issuer.

Under a stichting corporate services agreement entered into on or about the Issue Date (the “**Stichting Corporate Services Agreement**”) among the Issuer, KPMG Fides Servizi di Amministrazione S.p.A. (the “**Stichting Corporate Services Provider**”) and the Quotaholders, the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholders.

The Issuer has established with the Operating Bank an account (the “**Quota Capital Account**”) into which, *inter alia*, the sums contributed by the Quotaholders will be credited and held.

The Issuer has established with the Transaction Bank the following accounts:

- (i) an account (the “**Expenses Account**”) into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer's corporate expenses shall be made.
- (ii) three accounts (respectively, the “**BCC Fornacette Collection Account**”, the “**BCC Castagneto Collection Account**” and the “**BP Lajatico Collection Account**”) into which, *inter alia*, respectively the BCC Fornacette Collections, the BCC Castagneto Collections and the BP Lajatico Collections will be credited;
- (iii) an account (the “**Payments Account**”, divided in three sub-accounts named respectively “**BCC Fornacette Payments Sub-Account**”, “**BCC Castagneto Payments Sub-Account**” and “**BP Lajatico Payments Sub-Account**”), into which, *inter alia*, all amounts deriving from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the BCC Fornacette Investment Account, the BCC Castagneto Investment Account and the BP Lajatico Investment Account, respectively, will be credited and out of which all payments shall be made according to the applicable Order of Priority and the relevant Payments Report;
- (iv) three accounts (respectively the “**BCC Fornacette Suspension Account**”, “**BCC Castagneto Suspension Account**” and “**BP Lajatico Suspension Account**”) into which, *inter alia*, all Suspension Amounts shall be credited in accordance with the Servicing Agreement; and
- (v) three accounts (respectively the “**BCC Fornacette Reserve Account**”, “**BCC Castagneto Reserve Account**” and “**BP Lajatico Reserve Account**”) into which on each Payment Date, the amount due as BCC Fornacette Reserve Amount, BCC Castagneto Reserve Amount and BP Lajatico Reserve Amount will be respectively credited.

The Issuer has established with the English Transaction Bank three accounts (respectively “**BCC Fornacette Investment Account**”, “**BCC Castagneto Investment Account**” and “**BP Lajatico Investment Account**”, and together the “**Investment Accounts**”) into which, *inter alia*, all amounts standing respectively to the credit of certain BCC Fornacette Accounts, BCC Castagneto Accounts and BP Lajatico Accounts, will be transferred for the purpose of investment in Eligible Investments.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Subscription Agreement, the Cash Administration and Agency Agreement, the Deed of Pledge, the Agreement between the Issuer and the Quotaholders, the Deed of Charge and the Stichting Corporate Services Agreement (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.

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 (the “**Recitals**”) and the exhibits (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 given to such term in Condition 4.4 (*Acceleration Order of Priority*).

“**Accounts**” means collectively the Expenses Account, the Quota Capital Account, the Payments Account, the BCC Fornacette Collection Account, the BCC Castagneto Collection Account, the BP Lajatico Collection Account, the BCC Fornacette Investment Account, the BCC Castagneto Investment Account, the BP Lajatico Investment Account, the BCC Fornacette Reserve Account, the BCC Castagneto Reserve Account, the BP Lajatico Reserve Account, the BCC Fornacette Suspension Account, the BCC Castagneto Suspension Account, the BP Lajatico Suspension Account; and “**Account**” means any of them.

“**Accrued Interest**” means in respect of a Claim, as of the Effective Date, the portion (if any) of the Interest Instalment falling due on its next scheduled payment date which has already accrued as at that date (excluded) and excluding interests for late payments (*interessi di mora*).

“**Additional Reserve Amounts**” means the aggregate of all Relevant Reserve Amount.

“**Additional Return**” means (i) on each Payment Date on which the Pre-Acceleration Order of Priority applies, (a) in respect of the Class B1 Notes, the Class B1 Notes Additional Return, (b) in respect of the Class B2 Notes, the Class B2 Notes Additional Return, (c) in respect of the Class B3 Notes, the Class B3 Notes Additional Return, and (ii) on each Payment Date on which the Acceleration Order of Priority applies, the Class B Notes Additional Return.

“**Agents**” means the Operating Bank, the English Transaction Bank, the Cash Manager, the Agent Bank, the Transaction Bank, the Principal Paying Agent, the Irish Paying Agent, the Computation Agent collectively and “**Agent**” means any of them.

“**Agent Bank**” means The Bank of New York Mellon, (Luxembourg) S.A., Italian Branch, or any other person from time to time acting as Agent Bank.

“**Article 122a**” means the article 122a of the Capital Requirements Directive.

“**Arranger**” means Banca Akros S.p.A., or any other person from time to time acting as Arranger.

“**Available Funds**” means, in respect of each Payment Date, on which the Acceleration Order of Priority

applies, the aggregate of:

- (i) all amounts received from the sale of all or part of the Portfolios, should such sale occur, and proceeds (if any) from the enforcement of the Security Documents and the Issuer's Rights;
- (ii) the residual balance standing to the credit of the Accounts (other than the Expenses Account and the Quota Capital Account);
- (iii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the Expenses Account

“**Back-Up Servicers**” means:

- (i) with respect to BP Lajatico, BCC Fornacette, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BCC Castagneto;
- (ii) with respect to BCC Castagneto, BCC Fornacette, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BP Lajatico;
- (iii) with respect to BCC Fornacette, BP Lajatico, or, should the event under clause 2 of the Back-up Servicing Agreement occur, BCC Castagneto;

each acting as Back-up Servicer pursuant to the Back-Up Servicing Agreement; or

- (i) the External Back-Up Servicer, should the events under clause 9 of the Servicing Agreement occur.

or any other person from time to time acting as substitute of the abovementioned subject.

“**Back-Up Servicing Agreement**” means the back-up servicing agreement entered into on or prior to the Issue Date among the Issuer, the Servicers and BCC Fornacette, BCC Castagneto and BP Lajatico, according to which in the event indicated in the such agreement (i) BCC Fornacette (firstly) and BP Lajatico (secondly) will act as substitute of BCC Castagneto as servicer; (ii) BP Lajatico (firstly) and BCC Castagneto (secondly) will act as substitute of BCC Fornacette as servicer; (iii) BCC Fornacette (firstly) and BCC Castagneto (secondly) will act as substitute of BP Lajatico as servicer.

“**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*, *amministrazione straordinaria*.

“**BCC Castagneto**” means Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a.

“**BCC Castagneto Accounts**” means the BCC Castagneto Collection Account, the BCC Castagneto Payments Sub-Account, the BCC Castagneto Reserve Account, the BCC Castagneto Investment Account and the BCC Castagneto Suspension Account.

“**BCC Castagneto Available Funds**” means, in respect of each Payment Date on which the BCC Castagneto Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BCC Castagneto Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BCC Castagneto

Available Funds on such Payment Date and shall only form part of the BCC Castagneto Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BCC Castagneto Available Funds;

- (ii) all amounts received by the Issuer in respect of the BCC Castagneto Portfolio pursuant to the BCC Castagneto Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;
- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BCC Castagneto Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BCC Castagneto Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BCC Castagneto Reserve Account on the immediately preceding Payment Date after application of the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BCC Castagneto Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BCC Castagneto Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such sale occur;
- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BCC Castagneto Accounts and the BCC Castagneto Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;
- (viii) all amounts (if any) to be paid on such Payment Date to the BCC Castagneto Available Funds under item (Thirteenth) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BCC Castagneto Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (First) to (Eleventh) of the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BCC Castagneto Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BCC Castagneto Suspension Account;

- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BCC Castagneto Accounts (other than the BCC Castagneto Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BCC Castagneto Payments Sub-Account according to the item (Fifteenth) of the BCC Castagneto Pre-Acceleration Order of Priority in any preceding Payment Date).

“**BCC Castagneto Cash Reserve Amount**” means the Relevant Cash Reserve Amount with respect to BCC Castagneto.

“**BCC Castagneto Claims**” means the Claims assigned by BCC Castagneto to the Issuer through the BCC Castagneto Transfer Agreement.

“**BCC Castagneto Liquidity Reserve Amount**” means the Relevant Liquidity Reserve Amount with respect to BCC Castagneto.

“**BCC Castagneto Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A2 Notes and Class B2 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**BCC Castagneto Portfolio**” means, the portfolio of BCC Castagneto Claims and connected rights arising under the relevant Loans which are sold to the Issuer by BCC Castagneto pursuant to the BCC Castagneto Transfer Agreement.

“**BCC Castagneto Pre-Acceleration Order Of Priority**” has the meaning ascribed to it in Condition 4.2 (*BCC Castagneto Pre- Acceleration Order of Priority*)

“**BCC Castagneto Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BCC Castagneto Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BCC Castagneto Portfolio repaid to the Issuer by BCC Castagneto pursuant to clause 5.3 of the BCC Castagneto Transfer Agreement during the immediately preceding Collection Period; plus
- (c) an amount equal to (i) any indemnity paid by BCC Castagneto pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BCC Castagneto Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BCC Castagneto Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BCC Castagneto Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus
- (d) an amount equal to the Outstanding Balance of the BCC Castagneto Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus

- (e) (a) upon BCC Castagneto 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 BCC Castagneto (in respect of the Borrower's deposits with BCC Castagneto) and the Claims comprised in the BCC Castagneto Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BCC Castagneto Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BCC Castagneto Principal Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BCC Castagneto Principal Amortisation Amount for the First Payment Date will be equal to the aggregate of the items (a) to (e).

“BCC Castagneto Principal Deficiency Ledger” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BCC Castagneto Principal Amortisation Amount calculated with reference to the immediately succeeding Payment Date exceeds the BCC Castagneto Available Funds (together with the funds payable to the BCC Castagneto Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment Date, of the Class A2 Amortisation Amount and of the Class B2 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BCC Castagneto Principal Amortisation Amount.

“BCC Castagneto Repayment Amount” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BCC Castagneto Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BCC Castagneto pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BCC Castagneto Suspension Account to the BCC Castagneto Payments Sub-Account in accordance with clause 3.2 (g) item (i) of the Cash Administration and Agency Agreement from the Issue Date until the immediately following Payment Date (included); *less*
- (c) any amount transferred from the BCC Castagneto Suspension Account to the relevant Servicer of the BCC Castagneto Portfolio pursuant to clause 3.2 (g) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BCC Castagneto Repayment Amount shall be equal to the balance standing to the credit of the BCC Castagneto Suspension Account.

“BCC Castagneto Reserve Amount” means the amount composed by the BCC Castagneto Liquidity

Reserve Amount and the BCC Castagneto Cash Reserve Amount which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BCC Castagneto Portfolio.

“**BCC Castagneto Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Castagneto Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BCC Castagneto Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BCC Castagneto Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

“**BCC Castagneto Suspension Amounts**” means any amount to be paid by BCC Castagneto, acting as Servicer, into the BCC Castagneto Suspension Account prior to the authorisation by BCC Castagneto to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BCC Castagneto Transfer Agreement**” means the transfer agreement entered into between the Issuer and BCC Castagneto on 18 February 2013, under which the latter, as *Originator*, has transferred to the Issuer the BCC Castagneto Claims.

“**BCC Fornacette**” means Banca di Credito Cooperativo di Fornacette S.c.p.a.

“**BCC Fornacette Accounts**” means the BCC Fornacette Collection Account, the BCC Fornacette Payments Sub-Account, the BCC Fornacette Reserve Account, the BCC Fornacette Investment Account and the BCC Fornacette Suspension Account.

“**BCC Fornacette Available Funds**” means, in respect of each Payment Date on which the BCC Fornacette Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BCC Fornacette Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BCC Fornacette Available Funds on such Payment Date and shall only form part of the BCC Fornacette Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower’s receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BCC Fornacette Available Funds;
- (ii) all amounts received by the Issuer in respect of the BCC Fornacette Portfolio pursuant to the BCC Fornacette Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;

- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BCC Fornacette Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BCC Fornacette Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BCC Fornacette Reserve Account on the immediately preceding Payment Date after application of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BCC Fornacette Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BCC Fornacette Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such sale occur;
- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BCC Fornacette Accounts and the BCC Fornacette Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;
- (viii) all amounts (if any) to be paid on such Payment Date to the BCC Fornacette Available Funds under item (*Thirteenth*) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BCC Fornacette Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (*First*) to (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BCC Fornacette Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BCC Fornacette Suspension Account;
- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BCC Fornacette Accounts (other than the BCC Fornacette Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BCC Fornacette Payments Sub-Account according to the item (*Fifteenth*) of the BCC Fornacette Pre-Acceleration Order of Priority in any preceding Payment Date). “**BCC Fornacette Cash Reserve Amount**” means the Relevant Cash Reserve Amount with respect to BCC Fornacette.

“**BCC Fornacette Claims**” means the Claims assigned by BCC Fornacette to the Issuer through the BCC Fornacette Transfer Agreement.

“**BCC Fornacette Liquidity Reserve Amount**” means the Relevant Liquidity Reserve Amount with respect to BCC Fornacette.

“**BCC Fornacette Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A1 Notes and Class B1 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**BCC Fornacette Portfolio**” means, the portfolio of BCC Fornacette Claims and connected rights arising under the relevant Loans which are sold to the Issuer by BCC Fornacette pursuant to the BCC Fornacette Transfer Agreement.

“**BCC Fornacette Pre-Acceleration Order Of Priority**” has the meaning ascribed to it in Condition 4.1 (*BCC Fornacette Pre- Acceleration Order of Priority*).

“**BCC Fornacette Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BCC Fornacette Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BCC Fornacette Portfolio repaid to the Issuer by BCC Fornacette pursuant to clause 5.3 of the BCC Fornacette Transfer Agreement during the immediately preceding Collection Period; plus
- (c) an amount equal to (i) any indemnity paid by BCC Fornacette pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BCC Fornacette Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BCC Fornacette Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BCC Fornacette Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus
- (d) an amount equal to the Outstanding Balance of the BCC Fornacette Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus
- (e) (a) upon BCC Fornacette 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 BCC Fornacette (in respect of the Borrower's deposits with BCC Fornacette) and the Claims comprised in the BCC Fornacette Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BCC Fornacette Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BCC Fornacette Principal Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BCC Fornacette Principal Amortisation Amount for the First Payment Date will be equal to the aggregate of the items (a) to (e).

“**BCC Fornacette Principal Deficiency Ledger**” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BCC Fornacette Principal Amortisation Amount calculated with reference to

the immediately succeeding Payment Date exceeds the BCC Fornacette Available Funds (together with the funds payable to the BCC Fornacette Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment Date, of the Class A1 Amortisation Amount and of the Class B1 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BCC Fornacette Principal Amortisation Amount.

“**BCC Fornacette Repayment Amount**” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BCC Fornacette Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BCC Fornacette pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BCC Fornacette Suspension Account to the BCC Fornacette Payments Sub-Account in accordance with clause 3.2 (f) item (i) of the Cash Administration and Agency Agreement from the Issue Date until the immediately following Payment Date (included); *less*
- (c) any amount transferred from the BCC Fornacette Suspension Account to the relevant Servicer of the BCC Fornacette Portfolio pursuant to clause 3.2 (f) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BCC Fornacette Repayment Amount shall be equal to the balance standing to the credit of the BCC Fornacette Suspension Account.

“**BCC Fornacette Reserve Amount**” means the amount composed by the BCC Fornacette Liquidity Reserve Amount and the BCC Fornacette Cash Reserve Amount which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BCC Fornacette Portfolio.

“**BCC Fornacette Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BCC Fornacette Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BCC Fornacette Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

“**BCC Fornacette Suspension Amounts**” means any amount to be paid by BCC Fornacette, acting as Servicer, into the BCC Fornacette Suspension Account prior to the authorisation by BCC Fornacette to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BCC Fornacette Transfer Agreement**” means the transfer agreement entered into between the Issuer and BCC Fornacette on 18 February 2013, under which the latter, as *Originator*, has transferred to the

Issuer the BCC Fornacette Claims.

“**Borrower**” means the debtors under the Claims and their transferors, assignees and successors.

“**BP Lajatico**” means Banca Popolare di Lajatico S.c.p.a.

“**BP Lajatico Accounts**” means the BP Lajatico Collection Account, the BP Lajatico Payments Sub-Account, the BP Lajatico Reserve Account, the BP Lajatico Investment Account and the BP Lajatico Suspension Account.

“**BP Lajatico Available Funds**” means, in respect of each Payment Date on which the BP Lajatico Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

- (i) all the sums received or recovered by the Issuer from or in respect of the BP Lajatico Claims during the Collection Period immediately preceding such Payment Date; provided that the Relevant Temporary Excluded Collections shall not form part of the BP Lajatico Available Funds on such Payment Date and shall only form part of the BP Lajatico Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower’s receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the BP Lajatico Available Funds;
- (ii) all amounts received by the Issuer in respect of the BP Lajatico Portfolio pursuant to the BP Lajatico Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Document during the Collection Period immediately preceding such Payment Date;
- (iii) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BP Lajatico Investment Account in respect of the Collection Period immediately preceding such Payment Date;
- (iv) (a) with reference to the First Payment Date only, the BP Lajatico Reserve Amount, and (b) on each Payment Date falling thereafter, the amount standing to the credit of the BP Lajatico Reserve Account on the immediately preceding Payment Date after application of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date;
- (v) interest (if any) accrued on and credited to the BP Lajatico Accounts in the Collection Period immediately preceding such Payment Date;
- (vi) any proceeds received from the sale of all or part of the BP Lajatico Portfolio received by the Issuer during the Collection Period immediately preceding such Payment Date, should such sale occur;
- (vii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed

in full, the residual amount standing to the credit of the BP Lajatico Accounts and the BP Lajatico Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;

- (viii) all amounts (if any) to be paid on such Payment Date to the BP Lajatico Available Funds under item (*Thirteenth*) of each other Pre-Acceleration Order of Priority;
- (ix) (a) on any Payment Date other than the Final Maturity Date, the sums standing to the credit of the BP Lajatico Suspension Account only to the extent necessary to cover the shortfall (if any) in the payments of amount due under items (*First*) to (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date, following application of any other item of the BP Lajatico Available Funds, determined by the Computation Agent in accordance with clause 6.3.1 (c) of the Cash Administration and Agency Agreement; and (b) on the Final Maturity Date, the sums standing to the credit of the BP Lajatico Suspension Account;
- (x) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BP Lajatico Accounts (other than the BP Lajatico Suspension Account) on the Collection Date immediately preceding such Payment Date (including for avoidance of any doubt, any amount credited on the BP Lajatico Payments Sub-Account according to the item (*Fifteenth*) of the BP Lajatico Pre-Acceleration Order of Priority in any preceding Payment Date). “**BP Lajatico Cash Reserve**” means the Relevant Cash Reserve Amount with respect to BP Lajatico.

“**BP Lajatico Claims**” means the Claims assigned by BP Lajatico to the Issuer through the BP Lajatico Transfer Agreement.

“**BP Lajatico Liquidity Reserve**” means the Relevant Liquidity Reserve Amount with respect to BP Lajatico.

“**BP Lajatico Outstanding Notes Ratio**” means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the Relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A3 Notes and Class B3 Notes, and (y) the Principal Amount Outstanding of all the Notes.

“**BP Lajatico Pre-Acceleration Order Of Priority**” has the meaning ascribed to it in Condition 4.3 (*BP Lajatico Pre- Acceleration Order of Priority*).

“**BP Lajatico Principal Amortisation Amount**” means, with reference to each Payment Date, the aggregate of:

- (a) all the Principal Collections (as defined below) received by the Issuer in respect of the BP Lajatico Portfolio during the immediately preceding Collection Period; plus
- (b) the Individual Purchase Price of the BP Lajatico Portfolio repaid to the Issuer by BP Lajatico pursuant to clause 5.3 of the BP Lajatico Transfer Agreement during the immediately preceding Collection Period; plus
- (c) an amount equal to (i) any indemnity paid by BP Lajatico pursuant to clause 5 of the Warranty and Indemnity Agreement during the immediately preceding Collection Period in respect of a shortfall in the Principal Instalment of the Claims of the BP Lajatico Portfolio (including the relevant portion of the Accrued Interest), up to the aggregate amount of the Individual Purchase

Price of any relevant Claim; (ii) any indemnity paid by the relevant Servicer in respect of the BP Lajatico Portfolio pursuant to clauses 7.2 and 7.3 of the Servicing Agreement during the immediately preceding Collection Period; and (iii) any proceeds of the sale of the BP Lajatico Claims (other than Defaulted Claims) received by the Issuer during the immediately preceding Collection Period; plus

- (d) an amount equal to the Outstanding Balance of the BP Lajatico Claims which have been classified as Defaulted Claims during the immediately preceding Collection Period (such amount valued at the relevant date of classification of each Claim as Defaulted Claims); plus
- (e) (a) upon BP Lajatico 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 BP Lajatico (in respect of the Borrower's deposits with BP Lajatico) and the Claims comprised in the BP Lajatico Portfolio; and (b) (without any duplication with the amount under point (a) hereabove) upon the Servicer of the BP Lajatico Portfolio becoming subject to an insolvency proceeding any amount collected by such Servicer and not duly transferred to the Issuer in accordance with the Servicing Agreement; plus
- (f) all the amounts registered as a credit balance (but deducting amounts registered as a debit balance) to the BP Lajatico Principal Deficiency Ledger (as defined below) on each preceding Calculation Date (but excluding the Calculation Date immediately preceding such Payment Date),

provided that the BP Lajatico Principal Amortisation Amount for the First Payment Date will be equal to the aggregate of the items (a) to (e).

“**BP Lajatico Principal Deficiency Ledger**” means the principal deficiency ledger held by the Computation Agent (a) to which on each Calculation Date will be registered as a credit balance the amount, if any, by which the BP Lajatico Principal Amortisation Amount calculated with reference to the immediately succeeding Payment Date exceeds the BP Lajatico Available Funds (together with the funds payable to the BP Lajatico Available Funds under item (*Ninth*) of the any other Pre-Acceleration Order of Priority) available for the payment, on such Payment Date, of the Class A3 Amortisation Amount and of the Class B3 Amortisation Amount and (b) on which on each Payment Date will be registered as a debit balance the amount of any payment made on such Payment Date pursuant to letter (f) of the definition of BP Lajatico Principal Amortisation Amount.

“**BP Lajatico Portfolio**” means, the portfolio of BP Lajatico Claims and connected rights arising under the relevant Loans which are sold to the Issuer by BP Lajatico pursuant to the BP Lajatico Transfer Agreement.

“**BP Lajatico Repayment Amount**” means an amount, calculated on each Calculation Date, equal to the difference (if positive) between:

- (a) the BP Lajatico Suspension Amount credited from the Effective Date until the last day of the immediately preceding Collection Period related to the Loans in respect of which the relevant Suspension Period granted by BP Lajatico pursuant to clause 7.4 of the Servicing Agreement has expired and the relevant Borrowers have started to repay the Instalments (as set out in the Quarterly Servicing Report); *less*
- (b) the aggregate amount transferred and to be transferred from the BP Lajatico Suspension Account to the BP Lajatico Payments Sub-Account in accordance with clause 3.2 (h) item (i) of

the Cash Administration and Agency Agreement from the Issue Date until the immediately following Payment Date (included); *less*

- (c) any amount transferred from the BP Lajatico Suspension Account to the relevant Servicer of the BP Lajatico Portfolio pursuant to clause 3.2 (h) item (ii) of the Cash Administration and Agency Agreement from the Issue Date until the immediately preceding Payment Date (included),

provided however that, on the Calculation Date immediately preceding the Payment Date on which the Class A Notes will be redeemed in full, the BP Lajatico Repayment Amount shall be equal to the balance standing to the credit of the BP Lajatico Suspension Account.

“**BP Lajatico Reserve Amount**” is the amount composed by the BP Lajatico Liquidity Reserve and the BP Lajatico Cash Reserve which are, respectively, the Relevant Reserve Amount, the Relevant Liquidity Reserve Amount and the Relevant Cash Reserve Amount of the BP Lajatico Portfolio.

“**BP Lajatico Shortfall Ratio**” means, in relation to each Payment Date, and in respect to payments to be made under any of the items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority (with reference to such definition only, the “**Relevant Items**” and each a “**Relevant Item**”), the ratio, calculated separately in respect of each Relevant Item, between (a) the BP Lajatico Available Funds available to make payments under a specific Relevant Item on such Payment Date, and (b) the aggregate Available Funds of all Portfolios (including for the avoidance of doubt the BP Lajatico Available Funds) available to make payments in respect of the same Relevant Item on such Payment Date.

“**BP Lajatico Suspension Amounts**” means any amount to be paid by BP Lajatico, acting as Servicer, into the BP Lajatico Suspension Account prior to the authorisation by BP Lajatico to the relevant Borrower to suspend the payment of the Instalments, in accordance with the provisions of the Servicing Agreement.

“**BP Lajatico Transfer Agreement**” means the transfer agreement entered into between the Issuer and BP Lajatico on 18 February 2013, under which the latter, as *Originator*, has transferred to the Issuer the BP Lajatico Claims.

“**Business Day**” means any day on which banks are open for business in Milan and London and 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 the (four) Business Days before each Payment Date.

“**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 Manager**” means BNYM, London or any other person from time to time acting as Cash Manager.

“**Cash Reserve Accounts**” means, collectively, the BCC Fornacette Reserve Account, the BCC Castagneto Reserve Account and the BP Lajatico Reserve Account.

“**Cash Reserve Amount**” means, in respect of each Payment Date, an amount equal to the difference between the Reserve Amount as of the Issue Date and the Liquidity Reserve Amount as of such Payment Date, provided that on the Payment Date on which the Rated Notes are redeemed in full, the Cash Reserve Amount will be equal to 0 (zero).

“**Cash Trapping Condition**” means, with reference to any Payment Date, the event which occurs when the Cumulative Net Default Ratio is equal to or higher than 4%.

“**Central Bank**” means the Central Bank of Ireland.

“**Claims**” means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, and made up by the BCC Fornacette Claims, the BP Lajatico Claims and the BCC Castagneto Claims.

“**Class**” means the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B1 Notes, the Class B2 Notes and the Class B3 Notes, as the case may be and “**Classes**” means all of them.

“**Class A Amortisation Amount**” means, (a) with reference to the Class A1 Notes, the Class A1 Amortisation Amount, (b) with reference to the Class A2 Notes, the Class A2 Amortisation Amount, and (c) with reference to the Class A3 Notes, the Class A3 Amortisation Amount.

“**Class A Notes**” means, collectively, the Class A1 Notes, the Class A2 Notes and the Class A3 Notes.

“**Class A1 Amortisation Amount**” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Fornacette Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A1 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class A1 Notes**” means the Euro 87,800,000 Class A1 Asset Backed Floating Rate Notes due November 2079.

“**Class A2 Amortisation Amount**” means with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Castagneto Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A2 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class A2 Notes**” means the Euro 80,300,000 Class A2 Notes due November 2079.

“**Class A3 Amortisation Amount**” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BP Lajatico Principal Amortisation Amount calculated in respect of such Payment Date, and (b) the Principal Amount Outstanding of the Class A3 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class A3 Notes**” means the Euro 72,300,000 Class A3 Asset Backed Floating Rate Notes due November 2079.

“**Class Amortisation Amount**” means each of the Class A Amortisation Amount and the Class B Amortisation Amount.

“**Class B Notes**” means, collectively, the Class B1 Notes, the Class B2 Notes and the Class B3 Notes.

“**Class B Amortisation Amount**” means, (a) with reference to the Class B1 Notes the Class B1 Amortisation Amount, (b) with reference to the Class B2 Notes, the Class B2 Amortisation Amount, and (c) with reference to the Class B3 Notes, the Class B3 Amortisation Amount.

“**Class B Notes Additional Return**” means, on each Payment Date on which the Acceleration Order of

Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from (*First*) to (*Ninth*) (inclusive) of the Acceleration Order of Priority.

“**Class B1 Amortisation Amount**” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Fornacette Principal Amortisation Amount calculated in respect of such Payment Date *less* the Class A1 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B1 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class B1 Notes**” means the Euro 53,225,000 Class B1 Asset Backed Floating Rate Notes due November 2079.

“**Class B1 Notes Additional Return**” means, on each Payment Date on which the BCC Fornacette Pre-Acceleration Order of Priority applies, an amount equal to the BCC Fornacette Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BCC Fornacette Pre-Acceleration Order of Priority.

“**Class B2 Amortisation Amount**” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BCC Castagneto Principal Amortisation Amount calculated in respect of such Payment Date *less* the Class A2 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B2 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class B2 Notes**” means the Euro 48,729,000 Class B2 Notes due November 2079.

“**Class B2 Notes Additional Return**” means, on each Payment Date on which the BCC Castagneto Pre-Acceleration Order of Priority applies, an amount equal to the BCC Castagneto Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BCC Castagneto Pre-Acceleration Order of Priority.

“**Class B3 Amortisation Amount**” means, with reference to each Payment Date, an amount equal to the lower of: (a) the BP Lajatico Principal Amortisation Amount calculated in respect of such Payment Date *less* the Class A3 Amortisation Amount, and (b) the Principal Amount Outstanding of the Class B3 Notes on such Payment Date (before payments made in accordance with the applicable Order of Priority).

“**Class B3 Notes**” means the Euro 43,750,000 Class B3 Asset Backed Floating Rate Notes due November 2079.

“**Class B3 Notes Additional Return**” means, on each Payment Date on which the BP Lajatico Pre-Acceleration Order of Priority applies, an amount equal to the BP Lajatico Available Funds available on such Payment Date after payment of items from (*First*) to (*Sixteenth*) (inclusive) of the BP Lajatico Pre-Acceleration Order of Priority.

“**Clearstream**” means Clearstream Banking, Société Anonyme.

“**Collection Accounts**” means the BCC Fornacette Collection Account, the BP Lajatico Collection Account and the BCC Castagneto Collection Account (as the context requires).

“**Collection Date**” means 31 March, 30 June, 30 September and 31 December of each year.

“**Collection Period**” means each period starting on (but excluding) a Collection Date and ending on (and including) the following Collection Date, save for the first Collection Period which will start on (and include) the Effective Date and end on (and include) the First Collection Date.

“**Collection Policy**” means, with respect to the each Servicer, the collection policy applied by the relevant Servicer in relation to the Relevant Portfolio.

“**Collections**” means all the amounts collected and/or recovered under the relevant Claims and any amount received by the Issuer from the relevant Servicer pursuant to the Servicing Agreement.

“**Computation Agent**” means KPMG Fides Servizi di Amministrazione S.p.A. or any other person from time to time acting as Computation Agent.

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

“**Consolidated Banking Act**” means Legislative Decree No. 385 of 1 September 1993 as subsequently amended.

“**Consolidated Financial Act**” means Legislative Decree No. 58 of 24 February 1998 as subsequently amended.

“**Corporate Services Provider**” means Cabel Holding S.p.A., or any other person from time to time acting as Corporate Services Provider

“**CRA Regulation**” means Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011.

“**Cumulative Net Default Ratio**” means, with reference to any Payment Date, the ratio between (a) the principal amount outstanding as at the default date of the Claims which have been classified as Defaulted Claims from the Effective Date up to the Collection Date immediately preceding such Payment Date, less the aggregate of all the recoveries in respect of such Defaulted Claims from the Effective Date up to the Collection Date immediately preceding such Payment Date, and (b) the Initial Principal Portfolio.

“**Cumulative Servicing Report**” means the consolidated servicing report for the overall portfolio to be prepared by the Computation Agent and containing all the information relating to the servicing activities carried out by each of the Servicers in the immediately preceding Collection Period and prepared on the basis of the information provided by each of the Servicers in the relevant Quarterly Servicing Report.

“**Defaulted Claims**” means any Claim arising from a Loan: (a) which has been classified “*in sofferenza*” by the relevant Servicer, in accordance with the relevant Collection Policies, or (b) in respect of which there are: (i) 12 or more Late Payments (in case of monthly Instalments), (ii) 6 or more Late Payments (in case of bi-monthly Instalments), (iii) 4 or more Late Payments (in case of quarterly Instalments), (iv) 2 or more Late Payments (in case of semiannually Instalments) and (v) 1 Late Payment for more than 90 days (in case of annually Instalments).

“**Delinquent Claims**” means any Claim, other than a Defaulted Claim, in respect of which there are any Instalments which have remained unpaid for more than 30 (thirty) days from its scheduled payment date (in case of monthly, quarterly or semiannually Instalments).

“**Delinquent 60 Claims**” means any Claim, other than a Defaulted Claim, in respect of which there are any Instalments which have remained unpaid for more than 60 (sixty) days from its scheduled payment date (in case of monthly, quarterly or semi-annually Instalments).

“**Delinquent 90 Claims**” means any Claim, other than a Defaulted Claim, in respect of which there are

any Instalments which have remained unpaid for more than 90 (ninety) days from its scheduled payment date (in case of monthly, quarterly or semi-annually Instalments).

“**ECB**” means the European Central Bank.

“**Effective Date**” means the 23.59 of the 30 November 2012.

“**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:

(a) with at least at least “F2” as a short-term rating and “A-” as a long-term rating by Fitch; and

(b) with at least “A-1” as a short-term rating and “A-” as a long-term rating by S&P.

“**Eligible Investments**” means:

(1) any Euro denominated senior (unsubordinated) debt security, time deposit or other debt instrument having the following characteristics:

(i)

(A) with respect to Fitch, the debt securities or other debt instruments are issued by or in the case of 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: (i) to the extent such investments have a maturity not exceeding 30 calendar days: a long term rating of at least "A-" and a short term rating of at least "F2"; (ii) to the extent such investments have a maturity exceeding 30 calendar days but not exceeding the immediately subsequent Payment Date after the Collection Period in which the relevant investment is made: a long term rating of at least "AA-" and a short term rating of at least "F1+"; or (iii) such other lower rating being compliant with the criteria established by Fitch from time to time;

(B) with respect to S&P, the debt securities or other debt instruments are rated, or in the case of time deposits are held with an institution whose unsecured and unsubordinated debt obligations are rated at least as follows: either (i) "AA-" 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-1" 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 criteria established by S&P from time to time; and

(ii)

such investments a) are immediately repayable on demand and disposable without penalty or have a maturity date falling on or before the third Business Day preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made and b) have, 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 or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested, or

- (2) any Euro denominated money market funds which permit daily liquidation of investments and which (i) are rated AAAM by S&P and (ii) are rated AAAMmf by Fitch or are rated the highest rating from at least two other global rating agencies (including in any case S&P) or (iii) are rated such other lower rating being compliant with the criteria established by S&P and Fitch from time to time;

provided that, such investments under (1) and (2) above:

- (a) in no case 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 Senior Notes as eligible collateral; and
- (b) in any case, if consisting of repurchase transactions, shall have a maturity not longer than 30 days and shall be made with a repo counterparty being an Eligible Institution; and

provided further that in case of downgrade below the rating allowed with respect to S&P or Fitch, as the case may be, the Issuer shall sell the securities, if it could be achieved without a loss, otherwise the relevant security shall be allowed to mature.

“English Transaction Bank” means The Bank of New York Mellon or any other person from time to time acting as English Transaction Bank.

“Euribor” means the Euro-Zone Inter-bank offered rate.

“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.

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

“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 9.1.4 of the Servicing Agreement in case an insolvency event occurs in respect of any of the Originators (or in case of merger among two or all the Originators) and which must be an entity different from the Originators.

“Final Maturity Date” means, in respect of the Notes, the Payment Date falling on November 2079.

“Final Redemption Date” means the earlier to occur between: (i) the date when any amount payable on the Claims of each Portfolio will have been paid, and (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer.

“First Collection Date” means 31 March 2013.

“First Payment Date” means 7 May 2013.

“**Fitch**” means Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries and any successor or successors thereto. Fitch Ratings Ltd. 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 of the European Parliament and of the Council of 11 May 2011 (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.

“**Impaired Claims**” means any Claim which has been classified “*incagliato*” by the relevant Servicer, in accordance with the relevant Collection Policies and in compliance with the applicable rules “*Istruzioni di Vigilanza*” of the Bank of Italy, or, in any case, any Claim, not being a Defaulted Claim, in respect of which there are: (i) 6 Late Payments (in case of monthly Instalments), (ii) 3 Late Payments (in case of bi-monthly Instalments), (iii) 2 Late Payments (in case of quarterly Instalments), (iv) 1 Late Payment for more than 120 days (in case of semiannually Instalments) and (v) 1 Late Payment for more than 60 days (in case of annually Instalments).

“**Individual Purchase Price**” means the purchase price of each Claim, equal to the Outstanding Balance of each Claim as at the Effective Date.

“**Individual Purchase Price Payment Date**” has the meaning ascribed to the term “*Data di Rimborso del Prezzo di Acquisto Individuale*” in the relevant Transfer Agreement.

“**Initial Clean Up Option Date**” means the first Payment Date immediately succeeding the Collection Date on which the aggregate principal outstanding amount of all the Portfolios is equal to or less than 10% (ten per cent.) of the Initial Principal Portfolio.

“**Initial Interest Period**” means the period which begins on (and includes) the Issue Date and ends on (but excludes) the First Payment Date.

“**Initial Principal Portfolio**” means the aggregate principal outstanding amount of all the Portfolios as of the Effective Date, being Euro 375,873,043.83.

“**Instalment**” means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

“**Insurance Company**” means any of the insurance companies granting an Insurance Policy.

“**Insurance Policies**” means any insurance policies entered into by and between the Insurance Company, the Originator and/or the relevant Borrowers, in respect of the Claims deriving from Mortgage Loan Agreements.

“**Interest Amount**” has the meaning ascribed to it in Condition 5.3.1.

“**Interest Determination Date**” means,

- (A) with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date, and
- (B) with respect to each subsequent Interest Period:

- (i) in relation to the Class A1 Notes and the Class B1 Notes, the thirty-fourth Business Day immediately preceding the Payment Date at the beginning of such Interest Period;
- (ii) in relation to the Class A2 Notes and the Class B2 Notes, the fifty-fourth Business Day immediately preceding the Payment Date at the beginning of such Interest Period; and
- (iii) in relation to the Class A3 Notes and the Class B3 Notes, the one hundred-fourteenth 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 interests 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 Initial Interest Period shall start on the Issue Date (included) and end on the First Payment Date (excluded).

“**Interest Rate**” has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

“**Investment Accounts**” means BCC Fornacette Investment Account, the BCC Castagneto Investment Account and the BP Lajatico Investment Account (as the context requires).

“**Irish Paying Agent**” means The Bank of New York Mellon SA/NV, Dublin Branch, or any other person from time to time acting as Irish Paying Agent.

“**Issue Date**” means the date of issuance of the Notes.

“**Issuer**” means Pontormo SME S.r.l.

“**Issuer Available Funds**” means the BCC Fornacette Available Funds, the BCC Castagneto Available Funds and the BP Lajatico Available Funds (as the context requires).

“**Issuer's Rights**” means (i) the Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom and (ii) the Issuer's rights under the Transaction Documents.

“**Junior Noteholders**” means the Class B Noteholders.

“**Late Payment**” means any Instalment that remains unpaid for more than 10 (ten) days after its scheduled payment date.

“**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 and supplemented.

“**Liquidity Reserve Amount**” means, in respect of each Payment Date, an amount equal to the higher of (i) 3.6% of the Principal Amount Outstanding of the Rated Notes on such Payment Date (before application of the Issuer Available Funds in accordance with the relevant Order of Priority) and (ii) 0.4% of the Initial Principal Portfolio; provided that on the Payment Date on which the Rated Notes are redeemed in full, the Liquidity Reserve Amount will be equal to 0 (zero).

“**Loan**” 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 Transfer Agreement, and “**Loans**” means all of them

“**Loan Agreement**” means each agreement by which a Loan has been granted.

“**Mandatory Redemption**” means the mandatory redemption of the Notes pursuant to Condition 6.3 (*Mandatory Redemption*) of the Notes.

“**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**” means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

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

“**Most Senior Class of Notes**” means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes.

“**Notes**” means, collectively, the Class A Notes and the Class B Notes.

“**Operating Bank**” means Invest Banca S.p.A. or any other person from time to time acting as Operating Bank.

“**Optional Redemption**” has the meaning ascribed to it in Condition 6.4 (*Optional Redemption*).

“**Order of Priority**” means the BCC Fornacette Pre-Acceleration Order of Priority, the BP Lajatico Pre-Acceleration Order of Priority and the BCC Castagneto Pre-Acceleration Order of Priority, as applicable, according to which the Issuer Available Funds shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement (together the “**Orders of Priority**”).

“**Originators**” means collectively BCC Fornacette, BP Lajatico and BCC Castagneto.

“**Other Issuer Creditors**” means the Originators, the Servicers, the Back-Up Servicers, the Representative of the Noteholders, the Security Trustee, the Operating Bank, the Agent Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, the Subscribers, the Cash Manager, the Computation Agent and the Irish Paying Agent.

“**Outstanding Balance**” means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

“**Outstanding Principal**” means in respect to any Claim, on 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 collectively the Principal Paying Agent and the Irish Paying Agent.

“**Payment Date**” means 5 February, 5 May, 5 August and 5 November in each year or, if any of such a

date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

“**Payments Report**” means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

“**Portfolios**” means, collectively, the BCC Fornacette Portfolio, the BCC Castagneto Portfolio and the BP Lajatico Portfolio.

“**Principal Amount Outstanding**” in relation to each of the Notes on any date shall be the principal amount of that Note upon issue, minus the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date.

“**Principal Collections**” means any amount of principal (including any payment of principal received under the Insurance Policies and any prepayments) from time to time collected by the Issuer in respect of the Claims (other than Recoveries).

“**Principal Deficiency Ledgers**” means BCC Fornacette Principal Deficiency Ledger, BCC Castagneto Principal Deficiency Ledger and BP Lajatico Principal Deficiency Ledger (as the context requires).

“**Principal Paying Agent**” means The Bank of New York Mellon, (Luxembourg) S.A., Italian Branch, or any other person from time to time acting as Principal Paying Agent.

“**Principal Instalment**” means, in respect of each Claim, the principal component of each Instalment.

“**Prospectus**” means the prospectus prepared by the Issuer in connection with the issue of the Notes and approved by the Central Bank of Ireland.

“**Purchase Price**” means the purchase price to be paid by the Issuer for the purchase of each of the Portfolios, under each relevant Transfer Agreement, calculated as an aggregate of the Individual Purchase Price of each Claim comprised in the Relevant Portfolio, which is equal to (i) Euro 137,287,974.93 to be paid to BCC Fornacette for the purchase of the BCC Fornacette Portfolio, (ii) Euro 125,609,898.81 to be paid to BCC Castagneto for the purchase of the BCC Castagneto Portfolio, and (iii) Euro 112,975,170.09 to be paid to BP Lajatico for the purchase of the BP Lajatico.

“**Quarterly Servicing Report**” means the report, containing information as to the collections and recoveries to be made in respect of the Relevant Portfolio during each Collection Period, which each of the Servicer has undertaken to prepare and submit on the Quarterly Servicing Report Date and “**Quarterly Servicing Reports**” means all of them.

“**Quarterly Servicing Report Date**” means the tenth Business Day following each Collection Date.

“**Quotaholders**” means Stichting Wavaburg and Cabel Holding S.p.A.

“**Rated Notes**” means the Class A Notes.

“**Rating Agencies**” means S&P and Fitch; each a “**Rating Agency**”.

“**Real Estate Assets**” means any real estate property which has been mortgaged in favour of the Originators to secure the Claims.

“**Recoveries**” means any recoveries made by the relevant Servicer in respect of the Defaulted Claims pursuant to the Servicing Agreement.

“**Redemption for Taxation**” has the meaning ascribed to it in Condition 6.2 (*Redemption for Taxation*).

“**Reference Banks**” means Banca Intesa, BNP Paribas and Bank of New York Mellon, or any other bank appointed as Reference Bank pursuant to Condition 5.7 (*Reference Banks and Agent Bank*).

“**Relevant Date**” has the meaning given to such term in Condition 13.

“**Representative of the Noteholders**” means KPMG Fides Servizi di Amministrazione S.p.A., or any other person from time to time acting as Representative of the Noteholders.

“**Reserve Amount**” means the reserve fund that the Issuer the Issuer has established, on the Issue Date in the Reserve Accounts.

“**Relevant**” when applied to the term “**Portfolio**” with respect to an Originator, a Series of Class B Notes, the Available Funds or a Pre-Acceleration Order of Priority means, respectively, the Portfolio sold by such Originator, through which interest on such Series of Class B Notes are paid, from which such Available Funds arise, whose Single Portfolio Available Funds are applied under such Pre-Acceleration Order of Priority and *viceversa*, and the same rule of interpretation shall apply to any other definition which contain the word “Relevant”.

“**Relevant Additional Reserve Amount**” means, in respect of any Relevant Cash Reserve, the Issuer Available Funds of the Relevant Portfolio available after payment of items from (*First*) to (*Eleventh*) of the Pre-Acceleration Order of Priority of the Relevant Portfolio.

“**Relevant Cash Reserve Amount**” means, in respect of each Payment Date and with reference to each Relevant Portfolio, an amount equal to the difference between the Relevant Reserve Amount as of the Issue Date and the Relevant Liquidity Reserve Amount as of such Payment Date, provided that on the Payment Date on which all the Rated Notes are redeemed in full, each Relevant Cash Reserve Amount will be equal to 0 (zero).

“**Relevant Liquidity Reserve Amount**” means, in respect of each Payment Date and with reference to each Relevant Portfolio, an amount equal to the higher of (i) 3.6% of the Principal Amount Outstanding of the Rated Notes of the Relevant Portfolio on such Payment Date (before application of the Issuer Available Funds in accordance with the relevant Order of Priority) and (ii) 0.4% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; provided that on the Payment Date on which all the Rated Notes are redeemed in full, each Relevant Liquidity Reserve Amount will be equal to 0 (zero).

“**Relevant Margin**” has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

“**Repayment Amount**” means the BP Lajatico Repayment Amount, the BCC Castagneto Repayment Amount, the BCC Fornacette Repayment Amount, as the case may be.

“**Reserve Accounts**” means collectively the BCC Fornacette Reserve Account, the BCC Castagneto Reserve Account and the BP Lajatico Reserve Account (as the context may require).

“**Retention Amount**” means an amount equal to Euro 80,000.

“**Screen Rate**” has the meaning as ascribed in the Condition 5.2 (*Interest Rate*).

“**Security Documents**” means the Deed of Pledge and the Deed of Charge.

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

“**Security Trustee**” means KPMG Fides Servizi di Amministrazione S.p.A. or any other person from time to time acting as Security Trustee.

“**Servicing Fees**” means the fees to be paid to the Servicers pursuant to clause 12 of the Servicing Agreements.

“**S&P**” means Standard & Poor's Financial Services LLC, and its subsidiaries and any successor or successors thereto.

“**Single Portfolio Available Funds**” means the BCC Fornacette Available Funds, BP Lajatico Available Funds and BBC Castagneto Available Funds, as the context may require.

“**Six Month EURIBOR**” means Euribor for six months deposits calculated as provided for in Condition 5.2 (*Interest Rate*) of the Notes.

“**Specified Office**” means the office of the (i) the Irish Paying Agent located at 4th Floor, Hanover Building Windmill Lane, Dublin 2, Ireland; or (ii) Principal Paying Agent located at Via Carducci, 31, 20123, Milan, Italy, as the case may be.

“**Stichting Corporate Services Agreement**” means the stichting corporate services agreement to be entered into on or prior to the Issue Date, between the Issuer, the Stichting Corporate Services Provider and the Quotaholders.

“**Stichting Corporate Services Provider**” means KPMG Fides Servizi di Amministrazione S.p.A. or any of its permitted successors or assignees from time to time.

“**Subscribers**” means BBC Fornacette, BP Lajatico and BCC Castagneto.

“**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 the rights and obligations of such person under the relevant Transaction Document or to which under such laws the same have been transferred.

“**Suspension Accounts**” means the BCC Fornacette Suspension Account, the BCC Castagneto Suspension Account and the BP Lajatico Suspension Account (as the context requires).

“**Suspension Amount**” means, collectively, the BCC Fornacette Suspension Amounts, the BCC Castagneto Suspension Amounts and the BP Lajatico Suspension Amounts.

“**Three Month EURIBOR**” means Euribor for three months deposits calculated as provided for in Condition 5.2 (*Interest Rate*) of the Notes.

“**Transaction**” means the securitisation transaction of the Portfolios carried out by the Issuer.

“**Transaction Documents**” means collectively the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Subscription Agreement, the Cash Administration and Agency

Agreement, the Deed of Pledge, the Agreement between the Issuer and the Quotaholders, the Deed of Charge, the Stichting Corporate Services Agreement and the Conditions.

“**Transfer Agreements**” means collectively the BCC Fornacette Transfer Agreement and/or the BCC Castagneto Transfer Agreement and/or the BP Lajatico Transfer Agreement, and “**Transfer Agreements**” means each of them as the context requires.

“**Transaction Bank**” means BNYM, Italian Branch, or any other person from time to time acting as Transaction Bank.

“**Trigger Events**” has the meaning ascribed to it in Condition 9 (*Trigger Events*).

“**Trigger Notice**” has the meaning ascribed to it in Condition 9 (*Trigger Events*).

“**Valuation Date**” means the 23.59 of the 31 August 2012.

1. FORM, DENOMINATION, STATUS

- (1) The Notes will be held in dematerialised form on behalf of the beneficial owners as of the 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 article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.
- (3) The Class A Notes will be issued in denominations of Euro 100,000. Each series of Class B Notes will be issued in denominations of Euro 1,000.
- (4) The Issuer has elected 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 which may be applied for the relevant purpose in accordance with the applicable Order of

Priority, provided that if the applicable Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Payment Date in accordance with the applicable Order of Priority, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the applicable Issuer Available Funds may be used for such purpose in accordance with the relevant Order of Priority and provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Final Maturity Date. 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 are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Order of Priority), shall be deemed extinguished and the relevant claims irrevocably relinquished, waived and surrendered by the Noteholders to the applicable Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. 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.

- (2) The Notes are secured by certain assets of the Issuer pursuant to the Security Documents and in addition, by operation of the Securitisation law, the Issuer's right, title and interest in and to the Portfolios are segregated from all other assets of the Issuer. Amounts deriving from the Portfolios will only be available, both prior to and following the 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) Prior to the delivery of a Trigger Notice (as defined in Condition 9 (*Trigger Events*)), with respect to the obligation of the Issuer to pay interest and repay principal on the Notes: **(a)** the Class A1 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BCC Fornacette Pre-Acceleration Order of Priority; **(b)** the Class B1 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A1 Notes in accordance with the BCC Fornacette Pre-Acceleration Order of Priority; **(c)** the Class A2 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BCC Castagneto Pre-Acceleration Order of Priority; **(d)** the Class B2 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A2 Notes in accordance with the BCC Castagneto Pre-Acceleration Order of Priority; **(e)** the Class A3 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BP Lajatico Pre-Acceleration Order of Priority; and **(f)** the Class B3 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A3 Notes in accordance with the BP Lajatico Pre-Acceleration Order of Priority.

Following 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 Rated Notes will rank *pari passu* and without any preference or priority

among themselves and the Class B Notes will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Rated Notes in accordance with the Acceleration Order of Priority.

- (4) Without prejudice to the provision of Condition 3.7 (*No variation or waiver*), 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, 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.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 (*Further securitisation*) below or 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 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 (*Further securitisations*) below 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 company) (as defined in Article 2359 of the *Codice Civile*) 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 B Noteholders; 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 administrated 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 Quotaholders (or successor quotaholders), 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 29 April 2011, 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 holders of the Rated Notes; 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 holders of the Rated Notes; 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 holders of the Rated Notes; or

3.8. Bank Accounts

have an interest in any bank account other than the Accounts; or

3.9. Statutory Documents

amend, supplement or otherwise modify its *statuto* or *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 Transaction, 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 Fitch 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;
 - (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 in September 2011 (*The implementation of monetary policy in the Euro area*) and on August 2012 (*Additional temporary measures relating to European refinancing operation and eligibility of collateral*), as subsequently amended and supplemented, for liquidity and/or open market transactions carried out with a central bank in the Eurozone; 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. **BCC Fornacette Pre-Acceleration Order Of Priority**

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BCC Fornacette Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BCC Fornacette Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;
- (ii) *Second*, to pay in the following order (i) the BCC Fornacette Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BCC Fornacette Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BCC Fornacette Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BCC Fornacette Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof)

interest due and payable on the Class A1 Notes;

- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BCC Fornacette Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BCC Fornacette Reserve Account with the BCC Fornacette Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A1 Amortisation Amount due on the Class A1 Notes in respect of such Payment Date;
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (x) *Tenth*, to credit the BCC Fornacette Reserve Account with the BCC Fornacette Cash Reserve Amount due on such Payment Date;
- (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Fornacette Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BCC Fornacette Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
- (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BP Lajatico Available Funds and the BCC Castagneto Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Fornacette Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BCC Fornacette Available Funds, in each case net of any amount paid from or received by the BCC Fornacette Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;
- (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BCC Fornacette, pursuant to the BCC Fornacette Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the

Subscription Agreement; (b) the relevant Servicer pursuant to the Servicing Agreement in respect of the BCC Fornacette Portfolio, to the extent not already paid under other items of this Order of Priority;

- (xv) *Fifteenth*, to pay, in the following order, (i) to the BCC Fornacette Payments Sub-Account, only on any Payment Date on which the Class A1 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B1 Amortisation Amount due on the Class B1 Notes, and (ii) interest due and payable on the Class B1 Notes (other than the Class B1 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B1 Amortisation Amount due on the Class B1 Notes (until the Principal Amount Outstanding of the Class B1 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B1 Notes;
- (xvii) *Seventeenth*, to pay the Class B1 Notes Additional Return;
- (xviii) *Eighteenth*, 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 to BCC Fornacette,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BCC Fornacette Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

- (i) it shall prepare the Payments Report by applying the BCC Fornacette Available Funds in an amount not higher than:
 - (a) the amounts standing to the credit of the BCC Fornacette Reserve Account on the immediately preceding Payment Date (after application of the BCC Fornacette Pre-Acceleration Order of Priority on such Payment Date), *plus*
 - (b) the aggregate amount transferred from the BCC Fornacette Collection Account to the BCC Fornacette Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BCC Fornacette Pre-Acceleration Order of Priority, and

- (ii) any amount that would otherwise have been payable under items from (*Sixth*) to (*Eighteenth*) of the BCC Fornacette Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BCC Fornacette Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Seventh*), (*Ninth*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority.

4.2. BCC Castagneto Pre-Acceleration Order Of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BCC Castagneto Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BCC Castagneto Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;
- (ii) *Second*, to pay in the following order (i) the BCC Castagneto Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BCC Castagneto Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BCC Castagneto Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BCC Castagneto Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A2 Notes;
- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BCC Castagneto Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BCC Castagneto Reserve Account with the BCC Castagneto Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;

- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A2 Amortisation Amount due on the Class A2 Notes in respect of such Payment Date;
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (x) *Tenth*, to credit the BCC Castagneto Reserve Account with the BCC Castagneto Cash Reserve Amount due on such Payment Date;
- (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BCC Castagneto Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BCC Castagneto Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
- (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BCC Fornacette Available Funds and the BP Lajatico Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BCC Castagneto Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BCC Castagneto Available Funds, in each case net of any amount paid from or received by the BCC Castagneto Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;
- (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BCC Castagneto, pursuant to the BCC Castagneto Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement; (b) the relevant Servicer pursuant to the Servicing Agreement in respect of the BCC Castagneto Portfolio, to the extent not already paid under other items of this Order of Priority;
- (xv) *Fifteenth*, to pay, in the following order, (i) to the BCC Castagneto Payments Sub-Account, only on any Payment Date on which the Class A2 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B2 Amortisation Amount due on the Class B2 Notes, and (ii) interest due and payable on the Class B2 Notes (other than the Class B2 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B2 Amortisation Amount due on the Class B2 Notes (until the Principal Amount Outstanding of the Class B2 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount

Outstanding of the Class B2 Notes;

(xvii) *Seventeenth*, to pay the Class B2 Notes Additional Return;

(xviii) *Eighteenth*, 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 to BCC Castagneto,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BCC Castagneto Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

(i) it shall prepare the Payments Report by applying the BCC Castagneto Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the BCC Castagneto Reserve Account on the immediately preceding Payment Date (after application of the BCC Castagneto Pre-Acceleration Order of Priority on such Payment Date), *plus*

(b) the aggregate amount transferred from the BCC Castagneto Collection Account to the BCC Castagneto Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BCC Castagneto Pre-Acceleration Order of Priority, and

(ii) any amount that would otherwise have been payable under items from (*Sixth*) to (*Eighteenth*) of the BCC Castagneto Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BCC Castagneto Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Seventh*), (*Ninth*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority.

4.3. BP Lajatico Pre-Acceleration Order Of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or (iii) an Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the BP Lajatico Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the “**BP Lajatico Pre-Acceleration Order of Priority**”) (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico 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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the

extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;

- (ii) *Second*, to pay in the following order (i) the BP Lajatico Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BP Lajatico Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BP Lajatico Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicers; (ii) the Servicing Fees to the relevant Servicer in respect of the BP Lajatico Portfolio;
- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A3 Notes;
- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) in the relevant order, the BP Lajatico Shortfall Ratio of all amounts due under items (*First*) to (*Fourth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (vi) *Sixth*, to credit the BP Lajatico Reserve Account with the BP Lajatico Liquidity Reserve Amount due on such Payment Date;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Sixth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Class A3 Amortisation Amount due on the Class A3 Notes in respect of such Payment Date;
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Eighth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant Available Funds under the Relevant Pre-Acceleration Order of Priority;
- (x) *Tenth*, to credit the BP Lajatico Reserve Account with the BP Lajatico Cash Reserve Amount due on such Payment Date;
- (xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BP Lajatico Shortfall Ratio of all amounts due under item (*Tenth*) of any other Pre-Acceleration Order of Priority, to the extent unpaid following application of the Relevant

Available Funds under the Relevant Pre-Acceleration Order of Priority;

- (xii) *Twelfth*, if the Cash Trapping Condition is met, to credit into the BP Lajatico Reserve Account any residual funds after payments of all items from (*First*) to (*Eleventh*) above;
- (xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), to each of the BCC Fornacette Available Funds and the BCC Castagneto Available Funds, respectively, an amount equal to the difference (if negative) between (i) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of the BP Lajatico Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of each of such Available Funds, and (ii) the amounts paid under items (*Fifth*), (*Seventh*), (*Ninth*) and (*Eleventh*) of each corresponding Pre-Acceleration Order of Priority in each preceding Payment Date to cover a shortfall of the BP Lajatico Available Funds, in each case net of any amount paid from or received by the BP Lajatico Available Funds under item (*Thirteenth*) of any Pre-Acceleration Order of Priority;
- (xiv) *Fourteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BP Lajatico, pursuant to the BP Lajatico Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement; (b) the relevant Servicer pursuant to the Servicing Agreement in respect of the BP Lajatico Portfolio, to the extent not already paid under other items of this Order of Priority;
- (xv) *Fifteenth*, to pay, in the following order, (i) to the BP Lajatico Payments Sub-Account, only on any Payment Date on which the Class A3 have been redeemed in full but the Class A Notes have not been redeemed in full, an amount equal to the Class B3 Amortisation Amount due on the Class B3 Notes, and (ii) interest due and payable on the Class B3 Notes (other than the Class B3 Notes Additional Return);
- (xvi) *Sixteenth*, starting from the Payment Date on which the Class A Notes are redeemed in full (included), to pay (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, the Class B3 Amortisation Amount due on the Class B3 Notes (until the Principal Amount Outstanding of the Class B3 Notes is not lower than Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B3 Notes;
- (xvii) *Seventeenth*, to pay the Class B3 Notes Additional Return;
- (xviii) *Eighteenth*, 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 to BP Lajatico,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report with respect to the BP Lajatico Portfolio within 3 Business Days after the Quarterly Servicing Report Date,

- (i) it shall prepare the Payments Report by applying the BP Lajatico Available Funds in an amount not higher than:
 - (a) the amounts standing to the credit of the BP Lajatico Reserve Account on the

immediately preceding Payment Date (after application of the BP Lajatico Pre-Acceleration Order of Priority on such Payment Date), *plus*

- (b) the aggregate amount transferred from the BP Lajatico Collection Account to the BP Lajatico Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

towards payment only of items from (*First*) to (*Fifth*) (but excluding the Servicing Fees under item (*Third*)) of the BP Lajatico Pre-Acceleration Order of Priority, and

- (ii) any amount that would otherwise have been payable under items from (*Sixth*) to (*Eighteenth*) of the BP Lajatico Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Servicing Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BP Lajatico Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Seventh*), (*Ninth*) and (*Eleventh*) of any other Pre-Acceleration Order of Priority.

4.4. Acceleration Order Of Priority

(a) At any time following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*), or **(b)** on the relevant Payment Date in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or for the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), on each relevant Payment Date the Available Funds shall be applied in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) *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 applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated 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;
- (ii) *Second*, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;
- (iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Servicers, the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicers;

- (iv) *Fourth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes, the Class A2 Notes and the Class A3 Notes;
- (v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class A1 Notes, the Class A2 Notes and the Class A3 Notes;
- (vi) *Sixth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to each Originator any negative difference accrued but unpaid in respect of its Relevant Available Funds under item (*Thirteenth*) of the Relevant Pre-Acceleration Order of Priority;
- (vii) *Seventh*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to the Originators pursuant to any of the Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Subscription Agreement;
- (viii) *Eighth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class B1 Notes, the Class B2 Notes and the Class B3 Notes (other than the Class B Notes Additional Return);
- (ix) *Ninth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class B Notes;
- (x) *Tenth*, to pay the Class B Notes Additional Return (*pari passu* and *pro rata* to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date);
- (xi) *Eleventh*, 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 Accounts (other than the Expenses Account and the Quota Capital Account) to the each Originator in proportion to the principal outstanding amount of the Relevant Portfolio transferred to the Issuer.

5. INTEREST

5.1. Payment Dates and Interest Periods

The Notes bear interest on its Principal Amount Outstanding from (and including) the Issue Date at a rate equal to Three Month EURIBOR (as defined below) or at a rate equal to Six Month EURIBOR (as defined below) plus the relevant Margin.

Save as provided for in Condition 5.8 (*Unpaid Interest*), interest in respect of the Notes is payable in Euro quarterly in arrears on each Payment Date.

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.

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 Interest Rate from time to time applicable to the Notes until the monies in respect thereof have been received by the Representative of the Noteholders or Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 12 (*Notices*).

5.2. Interest Rate

5.2.1. 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.

5.2.2. The Interest Rate applicable to each of the Class A2 Notes, the Class B2 Notes, the Class A3 Notes and Class B3 Notes for each Interest Period shall be equal to the aggregate of:

- (a) the Relevant Margin; and
- (b) the EURIBOR for six 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 six month Euro deposits in the Euro-zone inter-bank market which appears on Page Euribor 01 of Reuters Screen or (i) such other page as may replace Page Euribor 01 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 received a prior written approval by the Representative of the Noteholders to replace the Reuters Page) (the “**Screen Rate**”), at or about 10.00 a.m. (London time) on the relevant Interest Determination Date; or
- (c) if the Screen Rate is unavailable at such time for six 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 (*Reference Banks and Agent Bank*)) as the rate at which six 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 10.00 a.m. (London 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 two 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 shall have applied (the “**Six Month EURIBOR**”);

5.2.3. The Interest Rate applicable to each of the Class A1 Notes and Class B1 Notes for each Interest Period shall be equal to the aggregate of:

- (a) the Relevant Margin; and
- (b) 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 appears on Page Euribor 01 of Reuters Screen or (i) such other page as may replace Page Euribor 01 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 received a prior written approval by the Representative of the Noteholders to replace the Reuters Page) (the “**Screen Rate**”), at or about 10.00 a.m. (London time) on the relevant Interest Determination Date; or
- (c) 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 (*Reference Banks 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 10.00 a.m. (London 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 two 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 shall have applied (the “**Three Month EURIBOR**”); and

For the purpose of these Conditions, the “**Relevant Margin**” means in respect of:

- Class A1 Notes 0.50% *per annum*;
- Class A2 Notes 0.50% *per annum*;
- Class A3 Notes 0.50% *per annum*;

- Class B1 Notes 0.60% *per annum*;
- Class B2 Notes 0.60% *per annum*.
- Class B3 Notes 0.60% *per annum*;

5.3. Determination of the Interest Rate, calculation of the Interest Amount and Additional Return

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 the case of the Initial Interest Period, beginning on and including the Issue Date); and
- (ii) calculate the Euro amount (the “**Interest Amount**”) accrued on the Notes of each Class 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 of each Class 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 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).

5.3.2. The Computation Agent shall on each Calculation Date determine the Additional Return in respect of each Class B1 Notes, Class B2 Notes and Class B3 Notes (if any) applicable on the Payment Date following such Calculation Date.

5.4. Publication of Interest Rate and 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 the Transaction Bank, the English Transaction Bank, Monte Titoli, the Paying Agents and the Security Trustee and will cause the same to be published through Monte Titoli (if requested by the Issuer and upon its instruction) in accordance with Condition 12 (*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 for 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 for this purpose by the Issuer) does not determine the Additional Return in respect of each Class B1 Notes, Class B2 Notes and Class B3 Notes, the Representative of the Noteholders shall:

5.5.1. determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 (*Interest Rate*)) it shall consider fair and reasonable in all circumstances; and/or (as the case

may be),

- 5.5.2. calculate the Interest Amount in the manner specified in Condition 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount and Additional Return*);
- 5.5.3. calculate the Additional Return in respect of each Class B1 Notes, Class B2 Notes and Class B3 Notes (if any);

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank and/or the Computation Agent.

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 Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, 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 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 “**Reference Banks**”). The initial Reference Banks shall be Banca Intesa, BNP Paribas and Bank of New York Mellon. In the event that any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the 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 insure that at all times an Agent Bank is appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 12 (*Notices*).

5.8. Unpaid Interest

Without prejudice to Condition 9 (a) (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Rated 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 the Rated Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Agent Bank, based upon the information contained in the Payments Report, shall give notice to Monte Titoli, the Issuer and the Representative of the Noteholders and, if requested by the Issuer and upon its instruction, will cause notice to that effect to be given to the Noteholders in accordance with Condition 12 (*Notices*), no later than (3) three Business Days prior to any

Payment Date, of any Payment Date on which the Interest Amount on the 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 whole the Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided for in Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*) below, and without prejudice to Condition 9 (*Trigger Events*).

If any Class cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, any amount outstanding whether in respect of interest, principal or other amounts in relation to the Notes shall be finally and definitely cancelled and waived.

6.2. Redemption for Taxation

If the Issuer 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, to the effect that following the occurrence of certain legislative or regulatory changes or official interpretations thereof by competent authorities the Issuer:

- (A) (also through any Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any repayment of principal of or payment of interest on the Rated 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) would incur in increased costs or charges of a fiscal nature (including taxes, duties, assessments, withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation,

the Issuer may, on any following Payment Date, redeem all but not some only of the Notes (or only the Rated Notes in whole, if all the Junior Noteholders consent) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon and all payments ranking in priority thereto or *pari passu* therein up to and including the relevant Payment Date (plus any additional taxes payable by the Issuer by reason of such early redemption of the Notes) and on such Payment Date the Acceleration Order of Priority will become applicable, provided that not more than 60 (sixty) nor fewer than 30 (thirty) days' prior to the Payment Date on which the relevant Notes will be redeemed (a) the Issuer shall have given prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 12 (*Notices*), and (b) the Issuer has produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not

subject to the interests of any other person) to discharge all of its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to, or *pari passu* with, such Notes (plus any additional taxes payable by the Issuer by reason of such early redemption of the Notes). In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolios.

6.3. Mandatory Redemption

The Notes will be subject to mandatory redemption in full or in part:

- A. on each Payment Date in a maximum amount equal to the relevant Class Amortisation Amount with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;
- B. (i) on any date following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); and (ii) on the relevant Payment Date in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

6.4. Optional Redemption

The Issuer may redeem the Notes in whole but not in part (or only the Rated Notes in whole, if all the Junior Noteholders consent) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date of their redemption, on any Payment Date falling on or after the Initial Clean Up Option Date.

“**Initial Clean Up Option Date**” means the first Payment Date immediately succeeding the Collection Date on which the aggregate principal outstanding amount of the Portfolios is equal to or less than 10% (ten per cent.) of the Initial Principal Portfolio.

Such optional redemption shall be effected by the Issuer giving not more than forty-five (45) nor fewer than fifteen (15) days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, the holders of the Rated Notes and to the Rating Agencies in accordance with Condition 12 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, 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 relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to or *pari passu* with such Notes subordinated to the Rated Notes.

6.5. Sale of the Portfolios

In the following circumstances: (i) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or (ii) in the case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), or (iii) if, after a Trigger Notice has been served on the Issuer (with a copy to the Servicers) pursuant to Condition 9 (*Trigger Events*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of 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 (provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, *fallimento, concordato preventivo, liquidazione coatta amministrativa* and *accordi di ristrutturazione*), in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law) subject to it being indemnified to its satisfaction, be entitled to sell the Portfolios in the name and on behalf of the Issuer. Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as 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.

6.6. Notice of Redemption

Any such notice as is referred to in Condition 6.2 (*Redemption for Taxation*) and 6.4 (*Optional Redemption*) 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*).

6.7. Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines, *inter alia* (on the Issuer's behalf):

- (a) the amount of the BCC Fornacette Principal Amortisation Amount, the BP Lajatico Principal Amortisation Amount and the BCC Castagneto Principal Amortisation Amount with respect to the following Payment Date;
- (b) the amount of any principal payment in respect of each Class of Notes; and
- (c) the Principal Amount Outstanding of each Class of Notes on the following Payment Date (after deducting any principal payment due to be made and payable on the Notes on that Payment Date).

Each determination by or on behalf of the Issuer of the Principal Amortisation Amount, the Class Amortisation Amount on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

The Issuer shall, no later than 3 (three) Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank and the English Transaction Bank and the Paying Agents and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of each Class to be given by the Principal Paying Agent to Monte Titoli, Euroclear, Clearstream and the Noteholders in accordance with Condition 12 (*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 12 (*Notices*).

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 6.7 (*Principal Payments and Principal Amount Outstanding*), such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) and each such determination shall be deemed to have been made by the Issuer.

6.8. No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.9. 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) the date when any amount payable on the Claims of each Portfolio will have been paid and such amounts (if any) are paid in accordance with the applicable Order of Priority; (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer and the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the applicable Issuer Available Funds on such date in accordance with the applicable Order of Priority).

7. PAYMENTS

- 7.1.** Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent, acting as intermediary between the Issuer and the Noteholders, on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli.
- 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.** Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.
- 7.4.** The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, subject to the prior written approval of the Representative of the Noteholders (other than in respect of any Principal Paying Agent being the same entity as the Representative of the Noteholders), provided that (as long as the Rated Notes are listed on the Irish Stock Exchange) the Issuer will at all times maintain a paying agent having a registered office in Ireland. 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 30 days prior notice to be given to the Noteholders of any

replacement of the Paying Agents or **(ii)** an at least 14 days prior notice to be given to the Noteholders of any change of the registered offices of any Principal Paying Agents, both under (i) and (ii) above in accordance with Condition 12 (*Notices*). The Issuer shall ensure that at all the times a Principal Paying Agent is appointed.

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

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

(a) *Non-payment:*

- (i) the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A1 Notes or the Class A2 Notes or the Class A3 Notes on the Final Maturity Date (provided that a 3 (three) Business Days' grace period shall apply and further provided that non payment of principal on the Notes, due to the relevant Servicer not having provided the Quarterly Servicing Report (as described respectively in Condition 4.1 (*BCC Fornacette Pre-Acceleration Order of Priority*), in Condition 4.2 (*BCC Castagneto Pre-Acceleration Order of Priority*) and in Condition 4.3 (*BP Lajatico Pre-Acceleration Order of Priority*) shall not constitute a Trigger Event); or
- (ii) the amount paid by the Issuer as interest on the Class A1 Notes or the Class A2 Notes or the Class A3 Notes is lower than the relevant Interest Amount and such non-payment has continued unremedied for a period of five Business Days; 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 Notes (other than any obligation for the payment of principal or interest on the Rated Notes) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) 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 sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders 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, in the sole and absolute opinion of the Representative of the Noteholders, when made or deemed to be made; or

(d) *Insolvency etc.:*

- (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, 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 (a) 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, 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;

(e) *Winding up etc.:*

An order is made or an effective resolution is passed for the winding-up, liquidation 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; or

(f) *Unlawfulness:*

It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material in its sole discretion) 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:

- (iv) shall, in the case of the Trigger Event set out under point (a) above;
- (v) shall, if so directed 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;
- (vi) may at its sole and absolute discretion but shall, if so directed 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 interest accrued thereon and that the Acceleration Order of Priority shall apply.

In the following circumstances: (i) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or (ii) in the case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), or (iii) if, after a Trigger Notice has been served on the Issuer (with a copy to the Servicer and the Rating Agencies) pursuant to Condition 9 (*Trigger Events*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of 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 (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any insolvency or similar proceeding has not been commenced towards the Issuer (including, without limitation, “*fallimento*”, “*concordato preventivo*” and “*liquidazione coatta amministrativa*”, in accordance with the meaning given to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law, the Representative of the Noteholders shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolios.

10. 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 Class A Notes or unless it shall have been so directed by a resolution of the Class A Noteholders or, upon the redemption in full of the Class A Notes, the Class B Noteholders; 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*) above or this Condition 10 (*Enforcement*), by the Representative of the Noteholders shall (in the absence of wilful default or gross negligence) 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.

11. THE REPRESENTATIVE OF THE NOTEHOLDERS

- 11.1.** 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.
- 11.2.** 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.
- 11.3.** 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 Subscription Agreement. Each Noteholder is deemed to accept such appointment.
- 11.4.** 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. Such successor to the Representative of the Noteholders shall be:
- (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or
 - (b) 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
 - (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.
- 11.5.** 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 Rated 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.

12. 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.

As long as the Rated Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, any notice to Noteholders shall also be published on the website of the Irish Stock Exchange (www.ise.ie). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

In addition, so long as the Rated Notes are listed on the Irish Stock Exchange, any notice regarding the Rated 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 if, in its and absolute opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Rated 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.

13. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes shall be barred by the statute of limitation unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the Relevant Date in respect thereof, unless a case of interruption or suspension of the statute of limitation applies in accordance with Italian law.

“**Relevant Date**” means the date on which principal or interest on the Notes, as the case may be, become due and payable.

14. GOVERNING LAW AND JURISDICTION

14.1. The Notes are governed by Italian law.

14.2. The Courts of Milan shall have exclusive jurisdiction to settle any disputes 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 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 of Notes**” means the Class A Notes or the Class B Notes, as the context may require and “**Classes of Notes**” means all of them.

“**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 Pontormo SME 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 B Noteholders, Class B Notes and Class B Noteholders respectively;
- (c) and otherwise, in the case of a joint Meeting of more than one Class of Notes, any or all of the Class A Notes and the Class B Notes and any or all of the Class A 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 The Bank of New York Mellon, (Luxembourg) S.A. Italian 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.

“**Relevant Class Noteholders**” means the Class A 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: (a) in case of a meeting of a particular Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes of such Classes of Notes;
- (ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of Notes, two-thirds of the Principal

Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes of such 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 of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (1) 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
- (2) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, more than fifty per cent. (50%) of the Principal Amount Outstanding of the outstanding Notes in that Class of Note.

“Representative of the Noteholders” means KPMG Fides Servizi Amministrazione S.p.A. 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 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 the (i) the Irish Paying Agent located at Windmill Lane, Dublin 2, Ireland; or (ii) Principal Paying Agent located at Via Carducci, 31, 20123, Milan, Italy, as the case may be.

“Voter” means, in relation to any Meeting, the holder of a Blocked Note.

“Voting Certificate” means, in relation to any Meeting, a certificate issued to a 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 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 B Noteholders or, where the context requires, a reference to the Class A Noteholders and/or 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 of Notes 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 B Noteholders; and
- (2) in the above case, all the relevant Class 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 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 of Notes:

- (i) Business which in the absolute 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 absolute 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 absolute 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 of Notes;
- (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 of Notes and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class of Notes, as if references to the Notes and the Noteholders are to the Notes of the relevant Class of Notes and to the holders of the Notes of such Classes of Notes.

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 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 Class of Notes or Classes of Notes 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 and the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 12 (*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:

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class of Notes attend the relevant Meeting; or

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class 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 of Notes or Classes of Notes.

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 12 (*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 the Issuer or its representatives 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 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 (which is not a Basic Term Modification) 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 of Notes into, or the cancellation of any of the Notes or any Class of Notes, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, 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) power to authorize or direct the Representative of the Noteholders to serve a Trigger Notice, as a consequence of a Trigger Event under Condition 9 (*Trigger Events*);
- (h) 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 (but excluding in any case any Trigger Event under Condition 9(a));
- (i) 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);
- (j) power to sanction a Basic Terms Modification;
- (k) 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*);
- (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*); and
- (m) power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s) when an Extraordinary Resolution is required under 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 of Notes (to the extent that the Notes of each such Class of Notes are then outstanding); and
- B. no other Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) 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 (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).

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 KPMG Fides Servizi di Amministrazione S.p.A.

The Representative of the Noteholders shall be:

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; 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, in the name and on behalf of the Issuer, its own successor convening a fee not higher than the fee that such terminated Representative of the Noteholders agreed with the Issuer, 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.

Except for the appointment of the first Representative of the Noteholders, the directors, auditors, employees of the Issuer and those who fall within the conditions indicated in Article 2382 and Article

2399 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. 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-à-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. If a new representative of the Noteholders is not appointed by the Meeting ninety days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, *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.

1. 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 under, these rules, the Notes, the Conditions or any other Transaction Document and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each 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 Servicer 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 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 Rated Notes by the Rating Agencies or any other credit or rating agencies 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, the Notes 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 or the Transaction Documents 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 of Notes 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.

2. 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 sole and absolute 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 sole and absolute opinion the Representative of the Noteholders, it may be proper to make, *provided that* (i) the Representative of the Noteholders is of the sole and absolute 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 B Noteholders and (ii) a prior written notice is given to the Rating Agencies;
- (iii) act on the advice or a certificate or opinion of, or any information obtained from, any lawyer, accountant, banker, broker, credit or rating agencies or other expert whether obtained by the Issuer, or 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;
- (iv) 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;
- (v) 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*);

- (vi) 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;
- (vii) 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;
- (viii) 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 (d) (*Insolvency etc.*) 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;
- (ix) 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;
- (x) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer.

3. 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 released) 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 of Notes 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 or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively.

No provision of these Rules 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) agree that all funds credited to the 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 certain Accounts specified in the Cash Administration and Agency Agreement may be used for investments in Eligible Investments.

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 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 adequately documented costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (the “**Requests**” 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 any Person to whom any power, authority or discretion has been delegated by the Representative of the Noteholders, 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 duly documented and reasonable legal and travelling expenses and any duly documented 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 as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders. It remains in any case understood that: (i) in case any of the obligation hereunder are incurred as a result of any negligence of the Representative of the Noteholders, the amount that shall be paid by the Issuer shall be lowered considering (a) the level of negligence (*gravità della colpa*) of the Representative of the Noteholders and (b) the amount of Requests which have been caused by such negligence of the Representative of the Noteholders; and (ii) no amounts shall be paid by the Issuer for Requests that would have been avoided had the Representative of the Noteholders acted with professional care and diligence.

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 and/or failure by the Issuer to exercise its rights under the Transaction Documents, 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.

TITLE V - DISPUTES RESOLUTIONS

Article 32 (Law and Jurisdiction)

These Rules 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 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 Offering Circular 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 Offering Circular.

THE SECURITISATION LAW

Law 130 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 the “true” sale (by way of non-gratuitous assignment) of Claims, where the sale is to a company created in accordance with Article 3 of Law 130 and all amounts paid by the assigned debtors 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.

THE ASSIGNMENT

The assignment of the claims under Law 130 is governed by Article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. The prevailing interpretation of such provisions, which view has been strengthened by article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration in the companies’ register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;
- (b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the “**Bankruptcy Law**”), and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of 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
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of 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.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the

company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the claims 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 claims and to meet the costs of the transaction.

Notice of the assignment of the claims pursuant to the Transfer Agreements has been published in the Official Gazette No. 126 of 25 October 2012 and filed for publication in the companies' register of Florence on 26 October 2012.

RING-FENCING OF THE ASSETS

By operation of Law 130, 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 for the avoidance of doubt, any other portfolio purchased by the company pursuant to Law 130). Prior to and 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 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. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

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 Agreement, 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 Law 130, 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 suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to Article 67 of the Bankruptcy Law.

INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS

Pursuant to Article 65 of the Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the 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 Agreement) are ineffective *vis-à-vis* the Issuer. In this regard, it has to be noted that a recent case from the Italian Supreme Court (*Corte di Cassazione*, judgement No. 19978 of July 18th 2008) stated that Article 65 of the 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.

However according to the judgment by the Court of Verbania dated 13 August 1999 (published in “*Il Fallimento*”, 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by Article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under Article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgement No. 20005/2005, the “*injustice of turning a secured claim into a non-secured claim*”.

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).

ORDINARY ENFORCEMENT PROCEEDINGS

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement 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 previously notified to the mortgage lender. Not earlier than ten days and not later than 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 cadastral (*i.e.* land registry) certificates (*certificati catastali*), which usually take some time to obtain. Law No. 302 should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates 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 decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's evaluation, the court shall determine 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 offer is 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 deregistration 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 enforcement proceedings).

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 enforcement proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

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 *fondario* 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, as amended by Article 12 of Decree No. 342, 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.

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 2.5%) 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.

ART. 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 refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic 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 mortgage 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 thirty 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.

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 securitized claims.

Furthermore, 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 21 December 2012, the term within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 31 March 2013.

The Originators have acceded to the New PMI Convention.

INSOLVENCY PROCEEDINGS

A 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 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 that are in state of insolvency. 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 fulfill 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 *curatore fallimentare*, and the creditors' claims have been approved, the sale of the debtor'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 which is in a crisis situation may propose 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.

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.

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.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Class A Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Offering Circular 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. 138/2011 converted into Law No. 148/2011 the (“**Decree 138/2011**”), payments of interest and other proceeds in respect of the Class A Notes:

- (i) will be subject to *imposta sostitutiva* at the rate of 20 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 Class A 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 Class A Notes or in the transfer of the Class A Notes;

- (ii) will be subject to *imposta sostitutiva* at the rate of 20 per cent rate 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 Class A 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 Class A 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 Class A 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 Class A 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 a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of 22 December 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, 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 Class A 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 Class A 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 20 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Class A 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 Class A Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to a annual substitute tax levied at the rate of 20 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 Class A Notes) . The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Class A Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Class A Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Class A 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; 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 Class A 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 Class A 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 20 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Starting from 1 January 2001, Italian resident pension funds are subject to an 11 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 Class A 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 Class A Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the 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 Noteholders who are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Class A 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 Class A Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Class A Notes would be subject to an *imposta sostitutiva* at the rate of 20 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 Class A Notes not in connection with an entrepreneurial activity pursuant to all disposals on Class A 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. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Class A 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 Class A Notes (the “*Risparmio Amministrato*” regime). Such separate taxation of capital gains is permitted subject to: (i) the Class A 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 Class A 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 Class A 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. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012. 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 Class A Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the computation 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 Class A 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 20 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The 20 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Class A Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected, if the Class A 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 Class A Notes are effectively connected, through the sale for consideration or redemption of Class A Notes are exempt from taxation in Italy to the extent that the Class A Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Class A 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 Class A Notes are not listed on a regulated market in Italy or abroad:

- (1) non Italian resident beneficial owners of the Class A Notes with no permanent establishment in Italy to which the Class A 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 Class A 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 a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of December 22, 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, 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 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 Class A 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 Class A 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 Class A 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 Class A Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Class A 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

As confirmed by the Italian Supreme Court (Corte di Cassazione), amongst all, in sentence No. 30055 of 23 December 2008, the Italian general anti-abuse provision of Article 37-bis of Presidential Decree No. 600 of 29 September 1973, the European Court of Justice doctrine of the “abuse of law” (also referred to as “abuse of rights”) and previous Supreme Court case law on the voidance of contracts simulated or entered into for a cause contrary to the law, can be used, jointly or alternatively, by the Italian Tax Authority to deny the Italian tax benefits or preferential regime possibly associated with the adoption of a given contractual or transactional structure, subject to the demonstration that such contract or transaction has been implemented essentially for the purpose of obtaining the associated Italian tax benefit or preferential regime. 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. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

6. 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, at the end of 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). Such obligation is not provided if, inter alia, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed Euro 10,000.

7. 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, 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 0.1 per cent in 2012 (but in any case not exceeding € 1,200.00) and 0.15 percent in 2013 and in any of the following years. 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 Subscription Agreement entered into on or prior the Issue Date among the Issuer, the Originators, the Arranger, the Representative of the Noteholders, BCC Fornacette, BCC Castagneto and BP Lajatico:

- (i) BCC Fornacette shall subscribe and pay the Issuer for the Class A1 Notes and the Class B1 Notes at the issue price of 100% of their principal amount;
- (ii) BCC Castagneto shall subscribe and pay the Issuer for the Class A2 Notes and the Class B2 Notes at the issue price of 100% of their principal amount;
- (iii) BP Lajatico shall subscribe and pay the Issuer for the Class A3 Notes and the Class B3 Notes at the issue price of 100% of their principal amount;

and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Initial Issue Price to the Issuer.

UNITED STATES OF AMERICA

The 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 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 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 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 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 Subscription Agreement has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the 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 Notes, this Offering Circular nor any other offering material relating to 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 art. 34-*ter* of CONSOB regulation No. 11971/1999, and in accordance with applicable Italian laws and regulations. In any case the Class B Notes may not be offered to individuals or entities not being qualified investors in accordance with the Securitisation Law. Additionally the Class B 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, sale or delivery of the Notes 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 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 Offering Circular 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 Offering Circular nor any other offering material relating to the 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 Notes that:

- (i) there has been and there will be no offer or sale, directly or indirectly, of the 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);
- (ii) offers and sales of 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 Notes in the Republic of France will be made on the condition that (i) this Offering

Circular shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the 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 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 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 Notes in, from or otherwise involving the United Kingdom.

CAPITAL REQUIREMENTS DIRECTIVE

Each Originator has undertaken to the Issuer and the Noteholders for the benefit of each subsequent financial institution investing in one or more Notes, that it will (i) retain, on an ongoing basis, a material net economic interest of not less than 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the Relevant Portfolio which have been transferred to the Issuer) referred to in Article 122a(1)(d) of 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 (which does not take into account any implementing rules of such Directives) (hereinafter the “**Capital Requirements Directive**” or the “**CRD**”), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

As at the Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche as required by Article 122a (comprising the Class B Notes). 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 Notes) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the 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 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 the Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, 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.

Any purchase, sale, offer and delivery of all or part of the Notes shall be made in compliance with Article 122a of the Capital Requirements Directive.

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 or which are instrumentals to the Transaction. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a quotaholders' resolutions of the Issuer which took place on 15 January 2013. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the 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 Notes will be collections made in respect of the Claims thereunder.

Listing

Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market.

Clearing systems

The 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 Notes and the Common Codes for the Class A Notes are as follows:

	Common Code	ISIN
Class A1 Notes	090606735	IT0004900061
Class A2 Notes	090607383	IT0004900079
Class A3 Notes	090607839	IT0004900087
Class B1 Notes		IT0004900095
Class B2 Notes		IT0004900103
Class B3 Notes		IT0004900111

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 the date of its incorporation.

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 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 2012) 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 the Payments 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. The Investors Report will be made available to the Noteholders, the Other Issuer Creditors and the Rating Agencies on a quarterly basis via the Operating Bank's internet website currently located at <http://www.investbanca.it/pontormoSME.htm>. (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Borrowings

Save as disclosed in this Prospectus, after the issue of the 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 and of the Representative of the Noteholders and at the Specified Offices of the Paying Agents (as set forth in Condition 12 (*Notices*)), at any time after the Issue Date and so long as any of the Notes remain listed in the Irish Stock Exchange:

- (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 (once available). The next annual financial reports will be those related to the financial year ending on 31 December 2013. No interim financial statements will be produced by the Issuer;
- (c) the Quarterly Servicing Reports, 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 Portfolios 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 Subscription Agreement;

- (ii) the Intercreditor Agreement;
- (iii) the Cash Administration and Agency Agreement;
- (iv) the Corporate Services Agreement;
- (v) the Agreement between the Issuer and the Quotaholders;
- (vii) the Transfer Agreements;
- (viii) the Servicing Agreement;
- (ix) the Back-Up Servicing Agreement;
- (x) the Warranty and Indemnity Agreement;
- (xi) the Deed of Charge;
- (xiii) the Deed of Pledge;
- (xiv) the Stichting Corporate Services Agreement; and
- (xiv) this Prospectus.

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 Notes amount to Euro 386,104,000. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 108,000.00 *per annum* (VAT excluded). The upfront expenses for admission to trading of the Rated Notes will amount to Euro 5,541.20.

Home Member State for the purpose of the Transparency Directive

The Issuer elects 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**”).

ISSUER

Pontormo SME S.r.l.
Via Cherubini, 99
Empoli (FI), Italy

ORIGINATORS, SERVICERS AND BACK-UP SERVICERS

Banca di Credito Cooperativo di Fornacette S.c.p.a.
Via Tosco Romagnola, 101/A
Fornacette (PI), Italy

Banca Popolare di Lajatico S.c.p.a.
Via G. Guelfi, 2
Lajatico (PI), Italy

Banca di Credito Cooperativo di Castagneto Carducci S.c.p.a.
Via Vittorio Emanuele, 44
Castagneto Carducci (LI), Italy

AGENT BANK, TRANSACTION BANK AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, (Luxembourg) S.A., Italian Branch
Via Carducci, 31
20123, Milan, Italy

OPERATING BANK

Invest Banca S.p.A.
Via L. Cherubini, 99
Empoli (FI), Italy

**REPRESENTATIVE OF THE NOTEHOLDERS,
COMPUTATION AGENT, STICHTING
CORPORATE SERVICES PROVIDER AND
SECURITY TRUSTEE**

KPMG Fides Servizi di Amministrazione S.p.A.
Via Vittor Pisani 27,
Milano (MI), Italy

ENGLISH TRANSACTION BANK AND CASH MANAGER

The Bank of New York Mellon
One Canada Square,
London E14 5AL, United Kingdom

CORPORATE SERVICES PROVIDER

Cabel Holding S.p.A.
Via L. Cherubini, 99
Empoli (FI), Italy

IRISH PAYING AGENT

The Bank of New York Mellon SA/NV Dublin Branch
4th Floor Hanover Building, Windmill Lane,
Dublin 2, Ireland

ARRANGER

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Viale Eginardo, 29
20149 Milan, Italy

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