**Pursuant to article 2, paragraph 3, of Italian law No. 130 of 30 April 1999**

# ASSET-BACKED EUROPEAN SECURITISATION TRANSACTION EIGHTEEN S.R.L.

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

## € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033
## Issue price: 100 per cent.
## € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033
## Issue price: 100 per cent.
## € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033
## Issue price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by Asset-Backed European Securitisation Transaction Eighteen S.r.l. (the **Issuer**) of € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033 (the **Class A Notes** or the **Senior Notes**), € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033 (the **Class B Notes**) and € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033 (the **Class C Notes** and, together with the Class B Notes, the **Mezzanine Notes** and, together with the Senior Notes, the **Rated Notes**). In addition, the Issuer will issue € 12,000,000 Class M Asset-Backed Fixed Rate Notes due November 2033 (the **Class M Notes** or the **Unrated Notes** and, together with the Rated Notes, the **Notes**).

The Issuer is a limited liability company incorporated under the laws of the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the **Securitisation Law**) having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy. The Issuer is registered in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 35739.2 and in the companies register of Treviso-Belluno under number 05021340269.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). **The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. By approving this Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with the provisions of article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019. Investors should make their own assessment as to the suitability of investing in the Notes.**

This document constitutes a "*prospectus*" for the purposes of article 6.3 of the Prospectus Regulation and a "*prospetto informativo*" for the purposes of article 2, sub-section 3, of the Securitisation Law. Application has also been made to the Luxembourg Stock Exchange for the Rated Notes to be admitted to the official list of the Luxembourg Stock Exchange (the **Official List**) and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Rated Notes being "listed" (and all related references) shall mean that the Rated Notes have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. The Class M Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class M Notes on any stock exchange. This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, www.bourse.lu).

**This Prospectus is valid for 12 (twelve) months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.**

The proceeds of the issue of the Notes will be applied by the Issuer to fund the purchase of an initial pool of monetary receivables and other connected rights (the **Initial Receivables**) arising from a portfolio of auto financial leases (*leasing finanziari*) (the **Initial Pool**) granted by FCA Bank S.p.A., having its registered office at Corso Agnelli 200 Turin, Italy (**FCAB** or the **Originator**) and transferred from FCAB to the Issuer pursuant to the terms of a master receivables purchase agreement dated 27 October 2020, between the Issuer and FCAB (the **Master Receivables Purchase Agreement**). Pursuant to the Master Receivables Purchase Agreement, during the Revolving Period, the Originator may, subject to the satisfaction of certain conditions and in accordance with the terms and conditions provided in the Transaction Documents, sell to the Issuer, on a monthly basis, additional pools of monetary receivables and other connected rights (the **Additional Receivables**, and, together with the Initial Receivables, the **Receivables**) arising from further portfolios of auto financial leases (*leasing finanziari*) (the **Additional Pools**, and together with the Initial Pool, the **Portfolio**) granted by FCAB and having substantially the same characteristics as the Initial Pool. The principal source of payment of interest and, during the Amortisation Period, of repayment of principal on the Notes will be collections and recoveries made in respect of the Portfolio.

Interest on the Notes is payable by reference to successive interest periods (each an **Interest Period**). Interest on the Notes will accrue on a daily basis and will be payable in arrears in euro on 15 January 2021, being the First Payment Date, and thereafter monthly in arrears on the 15th fifteenth calendar day of each month in each year (or, if any such day is not a Business Day, the immediately following Business Day), or, following the delivery of a Trigger Notice, on any other Business Day designated as such by the Representative of the Noteholders after consultation with the Servicer.

The rate of interest applicable to the Notes for each Interest Period will be (a) in respect of the Class A Notes, a fixed rate equal to 0.35 per cent. per annum; (b) in respect of the Class B Notes, a fixed rate equal to 1.15 per cent. per annum; (c) in respect of the Class C Notes, a fixed rate equal to 1.70 per cent. per annum; and (d) in respect of the Class M Notes, a fixed rate equal to 7.50 per cent. per annum.

The Rated Notes are expected, on issue, to be rated as follows:

| *Class* | *DBRS* | *Fitch* |
|---|---|---|
| Class A | "AA (sf)" | "AA- sf" |
| Class B | "A (high) (sf)" | "AA- sf" |
| Class C | "BBB (high) (sf)" | "A sf" |

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** As of the date hereof, DBRS Ratings GmbH and Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*) are established in the European Union and are

registered under Regulation (EC) No. 1060/2009, as amended from time to time (the **CRA Regulation**), as it appears from the most updated list published by European Securities and Markets Authority (**ESMA**) on the ESMA website (being, as at the date of this Prospectus, www.esma.europe.eu). The Class M Notes will not be assigned any credit rating.

All payments in respect of the Notes by or on behalf of the Issuer will be made without any Tax Deduction, other than a Decree 239 Deduction or any other Tax Deduction which may be required to be made by any applicable law. Neither the Issuer nor any person on its behalf shall be obliged to pay any additional amount to any Noteholder on account of any such Tax Deduction.

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Representative of the Noteholders, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Corporate Administrator, the Corporate Servicer, the Back-up Servicer Facilitator, the Back-up Servicer (if appointed), the Arrangers, the Stichting Corporate Services Provider, the Quotaholder or FCAB (in any capacity). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued on the terms of, and subject to, the Conditions and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A.,with registered office at Piazza degli Affari, 6, 20123 Milan, Italy (**Monte Titoli**) for the account of the relevant Monte Titoli Account Holders. The expression **Monte Titoli Account Holders** means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds an account with Monte Titoli or any depository banks appointed by the Relevant Clearstream System), Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**). The Notes will be deposited by the Issuer with Monte Titoli on 11 November 2020 (the **Issue Date**), will be issued in bearer form (*al portatore*) and in dematerialised form (*emesse in forma dematerializzata*) and will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (a) article 83-*bis* of the Consolidated Financial Act and (b) the regulation, regarding post-trading systems, issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) on 13 August 2018, as amended and/or supplemented from time to time (**Regulation 13 August 2018**). No physical document of title will be issued in respect of the Notes.

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**) other than those provided for under sections 3(c)(1) and 3(c)(7) thereof. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule

The Notes will mature on the Payment Date which falls on November 2033 (the **Final Maturity Date**), subject to as provided in Condition 8 (*Redemption, Purchase and Cancellation*). Before the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, Purchase and Cancellation*)).

The Senior Notes will be redeemed in priority to the Mezzanine Notes of each Class and the Unrated Notes. The Mezzanine Notes will be redeemed in priority to the Unrated Notes. If the Senior Notes and/or the Mezzanine Notes and/or the Unrated 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 terms and conditions of the Notes (the **Conditions** and each, a **Condition**) for application in or towards such redemption, including the proceeds of any sale of Receivables, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount remaining outstanding, whether in respect of interest and principal in respect of the Notes, shall be reduced to 0 (zero) and deemed to be released by the holder of the relevant Notes on the Cancellation Date and the Notes shall be finally and definitely cancelled accordingly. The Issuer has no assets other than the Issuer's rights title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections as described in this Prospectus.

Under the Subscription Agreement, FCAB, in its capacity as Originator, has undertaken that it will: (i) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of 5 per cent. of the principal amount of each Class of Notes upon issue; (ii) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards; (iii) procure that any change to the manner in which such retained interest is held in accordance with paragraph (ii) above will be notified to the Calculation Agent to be disclosed in the SR Investor Report; and (iv) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the EU Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

The Originator, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "ABS interests" (as defined in the U.S. Risk Retention Rules) are issued) of all classes of ABS interests issued in the securitisation transaction are sold or transferred to, or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area or the UK. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4 (1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) no. 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arrangers expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) no. 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area or the UK may be unlawful under the PRIIPs Regulation.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. For further details, see the section headed "*Subscription, Sale and Selling Restrictions*".

**Capitalised words and expressions used in this Prospectus shall, unless defined in any other section and except so far as the context otherwise requires, have the meanings set out in the section entitled "*Glossary*" below.**

**For a discussion of material risk factors and other factors that should be considered in connection with an investment in the Notes, see the section entitled "*Risk Factors*" beginning on page 9.**

The date of this Prospectus is 9 November 2020.

## Arrangers

**BNP PARIBAS**

**CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK, MILAN BRANCH**

**NATIXIS S.A., MILAN BRANCH**

**UNICREDIT BANK AG**

## RESPONSIBILITY STATEMENT

*This Prospectus comprises a prospectus for the purposes of article 6.3 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the* ***Secutities Act****), or the "blue sky" laws of any State of the United States or other jurisdiction, and the securities, may not be offered, sold or delivered 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 or local securities laws. The Issuer has not been and will not be registered under the Investment Company Act. The Notes are in dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section headed "Subscription, Sale and Selling Restrictions"). Neither the United States Securities and Exchange Commission, nor any state securities commission or any other regulatory authority, has approved or disapproved the Notes or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.*

*The Arrangers or any of their respective affiliates make no representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules as at the date of this Prospectus or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.*

*The Notes may not be purchased by, or for the account or benefit of, any person except for persons that are not Risk Retention U.S. Persons. The Notes may not be transferred to any person who is a Risk Retention U.S. Person. Each purchaser of notes, including beneficial interests therein will, by its acquisition of a note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such note or a beneficial interest therein for its own account and not with a view to distribute such note; and (3) is not acquiring such note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in section .20 of the U.S. Risk Retention Rules).*

*None of the Issuer, the Representative of the Noteholders, the Arrangers or any other Transaction Party, other than the Originator, has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables, nor have the Issuer, the Representative of the Noteholders, the Arrangers or any other Transaction Party, other than the Originator, undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any debtor in respect of the Receivables.*

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

*FCAB has provided the information under the sections headed "The Portfolio" and "FCAB" below and any other information contained in this document relating to itself and the FCAB group and "The Credit and*

*Collection Policies" below and any other information contained in this Prospectus relating to the collection and underwriting procedures relating to the Portfolio, the Receivables and the Leases and, together with the Issuer, accepts responsibility for the information contained in those sections. FCAB has also provided the data used as assumptions to make the calculations contained in the section headed "Estimated weighted average life of the Rated Notes and assumptions" below on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of FCAB, the information in relation to which it is responsible as described above are in accordance with the facts and those parts of this Prospectus make no omission likely to affect the import of such information. To the best of the knowledge and belief of FCAB, which has taken all reasonable care to ensure that such is the case, such information is in accordance with the facts and contains no omission likely to affect the import of such information. Save as aforesaid, FCAB has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*BNP Paribas Securities Services, Milan branch, as Account Bank and Principal Paying Agent, has provided the information under the section headed "BNP Paribas Securities Services, Milan branch" below and, together with the Issuer, accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of BNP Paribas Securities Services, Milan branch, such information is in accordance with the facts and those parts of this Prospectus make no omission likely to affect its import. Save as aforesaid, BNP Paribas Securities Services, Milan branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Banca Finint S.p.A., as Calculation Agent, Corporate Administrator and Representative of the Noteholders, has provided the information under the section headed "Banca Finint" below and, together with the Issuer, accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of Banca Finint S.p.A., such information is in accordance with the facts and those parts of this Prospectus make no omission likely to affect its import. Save as aforesaid, Banca Finint S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Zenith Service S.p.A., as Back-up Servicer Facilitator, has provided the information under the section headed "Zenith Service" below and, together with the Issuer, accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of Zenith Service S.p.A., such information is in accordance with the facts and those parts of this Prospectus make no omission likely to affect its import. Save as aforesaid, Zenith Service 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 FCAB (in any capacity), the Representative of the Noteholders, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Corporate Administrator, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Arrangers or any other person. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has been no change in the affairs of the Issuer or the Originator or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.*

*To the fullest extent permitted by law, the Arrangers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arrangers or on their respective behalf, in connection with the Issuer or FCAB or the issue and offering of the Notes. The Arrangers accordingly disclaim all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which they might otherwise have in respect of this Prospectus or any such statement.*

*The Representative of the Noteholders has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Representative of the Noteholders as to the accuracy or completeness of the*

*information contained in this Prospectus or any other information provided by the Issuer or FCAB in connection with the Notes or their distribution.*

*The Notes constitute limited recourse obligations of the Issuer. Each Note will be secured, in each case, by certain of the assets of the Issuer pursuant to and as more fully described in the section entitled "Description of the Transaction Documents". Furthermore, by operation of the Securitisation Law, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes, to pay any costs, fees, expenses and other amounts required to be paid to the Other Issuer Creditors and to any third-party creditor of the Issuer in respect of any costs, fees, expenses or liabilities incurred by the Issuer to such third-party creditor in relation to the securitisation of the Receivables contemplated by this Prospectus (the* ***Securitisation****). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. Amounts derived from the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will not be available to any other creditors of the Issuer and will be applied by the Issuer in accordance with the applicable order of priority for the application of the Interest Available Funds and the Principal Available Funds in accordance with the Conditions.*

*In addition to the interests described in this Prospectus, prospective Noteholders should be aware that each of the Arrangers and their related entities, associates, officers or employees (each a* ***Relevant Entity****) may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any other Transaction Party, both on its own account and for the account of other persons. As such, each Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, a Relevant Entity's dealings with respect to the Notes, the Issuer or any other Transaction Party may affect the value of the Notes as the interests of such Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entities may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.*

*The distribution of this Prospectus and the offer, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Arrangers 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 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 is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, FCAB (in any capacity) and the Arrangers that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Receivables and the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.*

*Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended,* ***MiFID II****); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a* ***distributor****) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for*

*undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

*The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area or the UK. For these purposes, a* ***retail investor*** *means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4 (1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) no. 2016/97 (the* ***Insurance Distribution Directive****), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arrangers expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) no. 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the* ***PRIIPs Regulation****) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area or the UK may be unlawful under the PRIIPs Regulation.*

*The Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering circular nor any prospectus, form of application, advertisement, other offering material nor 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 could allow an offering (*offerta al pubblico*) of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "Subscription, Sale and Selling Restrictions".*

*Each initial and each subsequent purchaser of a Note will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See the section headed "Subscription, sale and selling restrictions".*

*Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results. 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. Prospective Noteholders are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document 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.*

*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.*

*All references in this Prospectus to* ***Euro****,* ***€****,* ***EUR*** *and* ***euro*** *refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.*

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

*Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus and have not been scrutinised or approved by the competent authority*.

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## RISK FACTORS

*Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described herein represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest and principal on the Notes may, exclusively or concurrently, occur for other unknown reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of interest and repayment of principal on the 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. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section.*

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

### 1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

***Noteholders cannot rely on any person other than the Issuer to make payments on the Notes***

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Representative of the Noteholders, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Corporate Administrator, the Corporate Servicer, the Back-up Servicer Facilitator, the Back-up Servicer (if appointed), the Stichting Corporate Services Provider, the Arrangers, FCAB (in any capacity), the Quotaholder or any other person. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

***The Issuer has a limited set of resources available to make payments on the Notes***

The Issuer's principal assets are the Receivables. The Issuer has no assets other than the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections as described in this Prospectus.

The Notes will be limited recourse obligations solely of the Issuer. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, *inter alia*, the timely payment of amounts due under the Leases by the Lessees, the receipt by the Issuer of Collections received on its behalf by the Servicer in respect of the Leases from time to time in the Portfolio, the amounts standing to the credit of the Cash Reserve Account, as well as receipt of any other amounts required to be paid to the Issuer by the various agents and counterparties to the Issuer pursuant to the terms of the Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. For further details, see the section headed "*Transaction Overview - Credit Structure*".

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on maturity or upon redemption by acceleration of maturity following service of a Trigger Notice or otherwise), there will be sufficient funds to enable the Issuer to pay interest when due on the Notes and to repay the outstanding principal on the Notes in full. If there are not sufficient funds available to the Issuer to pay in full interest and principal due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts.

Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's rights under the Transaction Documents. After the service of a Trigger Notice, the Issuer (or the Representative of the Noteholders on its behalf) could attempt to sell all, or part, of the Receivables, 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.

***Any loss would be suffered by the holders of the Notes having a lower ranking in the Priority of Payments***

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, each Class of Notes will rank as set out in Condition 4.3 (*Ranking*) and Condition 6 (*Priority of Payments*).

To the extent that any losses are suffered by any of the Noteholders, such losses will be borne (i) by the holders of the Class M Notes while they remain outstanding, (ii) thereafter, by the holders of the Class C Notes while they remain outstanding, (iii) thereafter, by the holders of the Class B Notes while they remain outstanding, and (iv) thereafter, by the holders of the Class A Notes while they remain outstanding.

***Liquidity and credit risk arising from any delay or default in payment by the Lessees may impact the timely and full payment due under the Notes***

The Issuer is subject to the risk of delay arising between the receipt of payments due from Lessees and the scheduled payment dates. The Issuer is also subject to the risk of default in payment by the Lessees and failure by the Servicer to collect or recover or transfer sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes. Lessees' individual, personal or financial circumstances may affect the ability of the Lessees to repay the Leases. Unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic) and other similar factors may lead to an increase in delinquencies by the Lessees and could ultimately have an adverse impact on the ability of the Lessees to repay the Leases. These risks are mitigated by the liquidity and credit support provided: (a) in respect of the Class A Notes, by the Mezzanine Notes of each Class and by the Class M Notes; (b) in respect of the Class B Notes, by the Class C Notes and by the Class M Notes; (c) in respect of the Class C Notes, by the Class M Notes; and (d) to a lesser extent, in respect of the Class A Notes, the Class B Notes and the Class C Notes, by the Cash Reserve. For further details, see the section headed "*Transaction Overview - Credit Structure*".

However, in each case, there can be no assurance that the levels of credit support and liquidity support provided to the Class A Notes, the Class B Notes and the Class C Notes, by the Cash Reserve, respectively, will be adequate to ensure punctual and full receipt of amounts due under the relevant Class of Notes.

***Commingling risk may affect availability of funds to pay the Notes***

The Issuer is subject to the risk that certain Collections may be lost or frozen in case of insolvency of the Account Bank or the Servicer.

Indeed, although article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the Issuer or the Servicer with an account bank (whether before or during the relevant insolvency proceeding of such account bank) will not be subject to suspension of payments or will not be deemed to form part of the estate of the servicer and shall be immediately and fully repaid to the issuer,

without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof. In addition, pursuant to article 95-*bis* of the Consolidated Banking Act, the liquidation and reorganisation proceedings of an account bank would be governed by the laws of the member state in which the relevant account bank has been licensed; therefore in the event that an account bank is a foreign entity, there is a risk that the insolvency receiver of the same may disregard the provisions of article 3, paragraph 2-*bis*, of the Securitisation Law.

Prospective Noteholders should note that, in order to mitigate any possible risk of commingling (i) pursuant to the Cash Allocation, Management and Payments Agreement, it is required that the Account Bank shall at all times be an Eligible Institution, and (ii) under the Servicing Agreement, the Servicer has undertaken to transfer any Collections received or recovered by itself into the Collections Account within 2 (two) Business Days from the registration thereof on the EDP FCAB System. In addition, pursuant to the Servicing Agreement, in case of termination of the appointment or resignation of FCAB as Servicer, the Lessees will be notified to pay any amount due in respect of the Receivables directly into the Collections Account. For further details, please see the sections headed "*Description of the Transaction Documents - The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents - The Servicing Agreement*".

***The Issuer may incur unexpected expenses which could reduce the funds available to pay the Notes***

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any further securitisation transaction carried out by it pursuant to the Conditions because the corporate object of the Issuer, as contained in its by-laws (*statuto*), is limited and the Issuer has provided certain covenants in the Intercreditor Agreement and the other Transaction Documents which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions. Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with the applicable legislation (which rank ahead of all other items in the applicable Priority of Payments), as a result of which the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

***Failure by any Noteholder or Other Issuer Creditor to comply with non-petition undertakings may affect the ability of the Issuer to meet its obligations under the Notes***

By operation of the Securitisation Law, the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections are segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third-party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

Pursuant to the Conditions and the Intercreditor Agreement, until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any notes issued under any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder and no Other Issuer Creditor (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all further securitisation transactions carried out by the Issuer, if any, have been so directed by appropriate resolutions of their respective noteholders under the relevant transaction documents) shall initiate or join any

person in initiating an Insolvency Event in relation to the Issuer, other than in the circumstances expressly referred to in the Rules of the Organisation of the Noteholders.

If any Insolvency Event were to be initiated against the Issuer, no creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any other third-party creditors of the Issuer in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation would have the right to claim in respect of the Receivables. However, there can in any event be no assurance that the Issuer would be able to meet all of its obligations under the Notes.

## 2. RISKS RELATING TO THE UNDERLYING ASSETS

***Yield to maturity, amortisation and weighted average life of the Rated Notes are influenced by a number of factors***

The yield to maturity, the amortisation and the weighted average life of the Rated Notes will depend on, *inter alia*, the amount and timing of repayment of principal on the Leases (including prepayments and proceeds arising on enforcement of the Leases).

In addition, the yield to maturity, the amortisation and the weighted average life of the Rated Notes may be adversely affected by a number of factors including, without limitation, a higher or lower rate of prepayment, delinquency and default on the Leases, the exercise by the Originator of its right to repurchase individual Receivables or the outstanding Portfolio pursuant to the Master Receivables Purchase Agreement, the renegotiation by the Servicer of any of the terms and conditions of the Leases in accordance with the provisions of the Servicing Agreement and/or the early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*).

Prepayments may result in connection with the early termination by mutual consent of any Lease. The level of delinquency and default on payment of the relevant Instalments or request for renegotiation under the Leases cannot be predicted and is influenced by a wide variety of economic, market industry, social and other factors, including prevailing loan market interest rates and margin offered by the banking system, the availability of alternative financing, local and regional economic conditions as well as special legislation that may affect the refinancing terms.

The impact of the above on the yield to maturity and the weighted average life of the Rated Notes cannot be predicted. Based, *inter alia*, on assumed rates of prepayment, the estimated average life of the Rated Notes is set out in the section headed "*Estimated weighted average life of the Rated Notes and assumptions*". However, the actual characteristics and performance of the Leases may differ from such assumptions and any difference will affect the percentages of the Principal Amount Outstanding of the Rated Notes over time and the weighted average life of the Rated Notes. For further details, see the sections headed "*Estimated weighted average life of the Rated Notes and assumptions*".

***The performance of the Portfolio may deteriorate in case of default by the Lessees***

The Initial Pool comprises, and each Additional Pool will comprise, Receivables deriving from Leases that are not registered by the EDP FCAB System as a Delinquent Receivable or a Defaulted Receivable and are classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's guidelines as at the relevant Pool Transfer Effective Date. For further details, see the section headed "*The Portfolio*".

However, there can be no guarantee that the Lessees will not default under such Leases or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Lessees to repay the Leases.

The recovery of overdue amounts in respect of the Leases will be affected by the length of enforcement proceedings in respect of the Leases, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken. Factors which can have a significant effect on the length of the proceedings include the following: (a) certain courts may take longer than the national average to enforce the Leases and (b) more time will be required for the proceedings if it is necessary first to obtain a payment injunction (*decreto ingiuntivo*) or if the Lessee raises a defence or counterclaim to the proceedings.

***No independent investigation has been or will be made in relation to the Receivables***

The Issuer has entered into the Master Receivables Purchase Agreement with the Originator on the basis of, and upon reliance on, (i) the representations and warranties made by the Originator under the Warranty and Indemnity Agreement and (ii) the compliance by the Originator with its undertaking to select Receivables which meet the Eligibility Criteria and the Cumulative Portfolio Limits set out in the Master Receivables Purchase Agreement. The Issuer would not have entered into the Master Receivables Purchase Agreement without having received such representations and warranties given that neither the Issuer nor any of the Arrangers or any other Transaction Party (other than FCAB) has carried out any due diligence in respect of the Receivables and the relevant Lease Agreements. More generally, none of the Issuer, the Arrangers nor any other Transaction Party (other than the Originator) has undertaken or will undertake any other investigation, searches or other actions to verify the details of the Receivables, nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Lessee.

The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator either repurchases from the Issuer the relevant Receivables for a purchase price determined in accordance with the terms therein or indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*" below). In particular, the payment of the repurchase price and the indemnification obligations undertaken by the Originator under the Warranty and Indemnity Agreement are unsecured claims of the Issuer and no assurance can be given that the Originator will pay the relevant amounts if at all and when due.

The Issuer would not have entered into the Master Receivables Purchase Agreement without the Originator's undertaking to select Receivables which meet the Eligibility Criteria and the Cumulative Portfolio Limits set out in the Master Receivables Purchase Agreement.

In the event that it results that (i) a Receivable included in the relevant List of Receivables did not comply with the Eligibility Criteria as at the relevant Pool Transfer Effective (the **Non-Eligible Receivable**) or (ii) the Cumulative Portfolio Limits have not been complied with as at the relevant Pool Transfer Effective Date (the **Non-Compliant Receivable**), the Originator shall repurchase the Non-Eligible Receivable or the Non-Compliant Receivable, as the case may be, from the Issuer in accordance with the terms and conditions set out in the Master Receivables Purchase Agreement (see the section headed "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*" below). However, no assurance can be given that the Originator will pay the relevant amounts if at all and when due.

***Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met***

The Issuer is subject to the risk that the assignment of the Receivables made by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement may be clawed-back (*revocato*) in case of insolvency of the Originator.

Indeed, assignments of receivables made under the Securitisation Law are subject to claw-back (*revocatoria fallimentare*) (i) pursuant to article 67, paragraph 1, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator, or (ii) pursuant to article 67, paragraph 2, of the Bankruptcy Law, if the adjudication of bankruptcy of the relevant originator is made within 3 (three) months from the purchase of the relevant portfolio of receivables, and the Insolvency Receiver of such originator is able to demonstrate that the issuer was aware of the insolvency of the originator.

In order to mitigate such risk, according to the Master Receivables Purchase Agreement and with respect of the assignment of each Pool, the Originator has provided or will provide, as the case may be, the Issuer with, *inter alia*, (a) a solvency certificate signed by a director or other authorised officer of the Originator, stating that no insolvency proceeding has been commenced against the Originator, and (b) a certificate of the competent companies' register, stating that no insolvency proceeding is pending against the Originator. Furthermore, under the Warranty and Indemnity Agreement, the Originator has represented that it was solvent as at the Initial Execution Date and such representation shall be deemed to be repeated as at each (i) Completion Date and (ii) Settlement Date.

In addition, in case of sale of the Portfolio (a) following the service of a Trigger Notice or (b) in the event of an early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the payment of the relevant purchase price may be subject to claw-back pursuant to article 67, paragraph 1 or 2, of the Bankruptcy Law. In order to mitigate such risk, (A) in respect to letter (a) above, the Intercreditor Agreement provides that (i) the relevant purchaser shall produce evidence of its solvency satisfactory to the Representative of the Noteholders, and (ii) the relevant sale price will be calculated on the basis of a third-party bank's or financial institution's evaluation of the Portfolio and (B) in respect to letter (b) above, pursuant to the Master Receivables Purchase Agreement, FCAB shall provide (i) a certificate signed by an authorised person attesting to the solvency of FCAB dated not more than 5 (five) Business Days prior to the relevant repurchase date, and (ii) a certificate issued by the companies register of Turin (*certificato di vigenza*), stating that no insolvency proceeding is registered in the companies' register against FCAB pursuant to the relevant legislation in force and dated no more than 5 (five) Business Days prior to the relevant repurchase date.

For further details, see the sections entitled "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*" and "*Description of the Transaction Documents - The Intercreditor Agreement*".

***Payments made to the Issuer by the other Transaction Parties may be subject to claw back upon certain conditions being met***

The Issuer is subject to the risk that certain payments made to the Issuer by any other Transaction Party may be clawed-back (*revocato*) in case of insolvency of the latter.

Payments made to the Issuer by any other Transaction Party in the one year or six-month, as applicable, suspect period prior to the date on which such party has been declared bankrupt or has been admitted to compulsory liquidation may be subject to claw-back action (*revocatoria fallimentare*) according to article 67 of the Bankruptcy Law (or any equivalent rules under the applicable jurisdiction of incorporation of the Transaction Party). In case of application of article 67, paragraph 1, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the Issuer is not able to demonstrate that it was not aware of the state of insolvency of the relevant Transaction Party when the payments were made, whereas, in case of application of article 67, paragraph 2, of the Bankruptcy Law, the relevant payment will be set aside and clawed back if the receiver is able to demonstrate that the Issuer was aware or ought to be aware of the state of insolvency of the relevant Transaction Party. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court in its discretion may consider all relevant circumstances.

Claw-back risk does not apply to payments made by assigned debtors, which are exempted from claw back (*revocatoria fallimentare*) pursuant to article 67 of the Bankruptcy Law and are also exempted from declaration of ineffectiveness (*declaratoria di inefficacia*) pursuant to article 65 of the Bankruptcy Law.

***Lessees may not apply insurance proceeds towards payment of the Leases***

The Lease Agreements are assisted by an Insurance Policy issued by an Insurance Company. Lessees are the only beneficiaries of the Insurance Policies and the claims arising from such Insurance Policies vis-à-vis the relevant Insurance Companies are not part of the Receivables transferred to the Issuer.

Therefore, there can be no assurance that the Lessees will apply the insurance proceeds to make payments in favour of the Issuer.

***Leases in relation to used vehicles have historically a lower performance***

Historically, the risk of non-payment of auto leases in relation to used vehicles is greater than in relation to auto leases for the leasing of new vehicles. Indeed, it has been observed that the performance of the debtors who have leased used vehicles is worse than that of the debtors who have leased new vehicles.

A worse performance by the Lessees who have leased used Cars may negatively affect the ability of the Issuer to fulfil its payment obligations under the Notes.

In order to mitigate such risk, it is provided, under the Master Receivables Purchase Agreement, that a Pool may be transferred from FCAB to the Issuer only if each of the Receivables included therein does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into for the leasing of used Cars to exceed the 7 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments). In this respect, please refer to section headed "*The Portfolio*".

***The Issuer will not have any title to the vehicles nor will it benefit from any security interests over the same***

The Originator is the owner of the Cars and the ownership over the Cars is not transferred to the Issuer together with the Receivables. Pursuant to the Master Receivables Purchase Agreement, the Issuer will acquire from the Originator interests in the Receivables, including rights to receive certain payments from the Lessees and other ancillary rights under the Lease Agreements.

While the Issuer acquires interest in the Receivables, the Issuer does not receive a secured interest or secured right against such Receivables. During the term of the Lease Agreements the Issuer has an unsecured claim against the Originator for any amounts that the Originator has received under the Lease Agreements.

However, the Issuer will not have any title to the vehicles nor will it benefit from any security interests over the Receivables or the Lease Agreement. Therefore, the Issuer will not have any priority rights over the proceeds deriving from the sale or other disposal of such vehicles and this may ultimately affect its ability to pay the amounts due under the Notes.

***Eligible Investments may not be fully recoverable in certain circumstances***

The amounts standing to the credit of the Payments Account, the Principal Funds Account, the Interest Funds Account and the Cash Reserve Account may be invested in Eligible Investments upon instruction of the Servicer, in accordance with the Cash, Allocation Management and Payments Agreement. The investments must comply with appropriate rating criteria, as set out in the definition of Eligible Investments. However, it may happen that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency of the debtor under the investment.

Such risk is mitigated by the provisions that, in case of downgrade of an Eligible Investment below any of the rating levels set out in the definition of Eligible Investments, the Account Bank shall, upon written instructions of the Servicer: (i) in respect of Eligible Investments consisting of securities, liquidate such securities within the earlier of the date falling 30 (thirty) days following such downgrade and the Eligible Investments Maturity Date immediately following such downgrade; or (ii) in respect of Eligible Investments consisting of deposits, transfer such deposits within the earlier of the date falling 30 (thirty) days following such downgrade and the Eligible Investments Maturity Date immediately following such downgrade, into another account at cost of the account bank with which the relevant deposits were held. For the avoidance of doubt, the bank where the deposit is transferred shall be an Eligible Institution and the deposit shall comply with the definition of Eligible Investments.

None of FCAB (in any capacity), the Arrangers or any other Transaction Party will be responsible for any loss or shortfall deriving therefrom.

## 3. OTHER RISKS RELATING TO THE NOTES AND THE STRUCTURE

***Payment of interest on the Notes may be deferred in certain circumstances***

Payment of interest on any Class of Notes (other than the Most Senior Class of Notes) will be subject to deferral to the extent that the Interest Available Funds applied in accordance with the Pre-Acceleration Interest Priority of Payments on any Payment Date prior to the Cancellation Date are not sufficient to pay in full the relevant interest amount which would otherwise be due on such Class of Notes. The amount by which the aggregate amount of interest paid on any Class of Notes (other than the Most Senior Class of Notes) on any Payment Date prior to the Cancellation Date falls short of the aggregate amount of interest which otherwise would be due on such Class of Notes on that Payment Date shall be aggregated with the amount of, and treated as if it were, interest amount due on such Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments. No interest will accrue on any amount so deferred.

Any interest amount due but not payable on the Most Senior Class of Notes on any Payment Date prior to the Cancellation Date will not be deferred and any failure to pay such interest amount will constitute a Trigger Event.

For further details, see the section headed "*Transaction Overview - The principal features of the Notes*" and "*Terms and Conditions of the Notes*".

***Investment in the Notes is only suitable for certain investors***

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

Investment in the Notes is only suitable for investors who (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; (iii) are capable of bearing the economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

Prospective Noteholders should not rely on or construe any communication (written or oral) of the Issuer, FCAB (in any capacity), the Arrangers or any other Transaction Party as investment advice or as a recommendation to invest in the 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 Notes. No communication (written or oral) received from the Issuer, FCAB (in any capacity), the Arrangers or any other Transaction Party shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses.

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

***Individual Noteholders have limited enforcement rights***

The protection and exercise of the Noteholders' rights against the Issuer under the Notes is one of the duties of the Representative of the Noteholders.

The Conditions limit the ability of individual Noteholders to commence proceedings (including proceedings for a declaration of insolvency) against the Issuer by conferring on the Meeting the power to determine in accordance with the Rules of the Organisation of the Noteholders on the ability of any Noteholder to commence any such individual actions. Accordingly, individual Noteholders may not, without breaching the Conditions, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting has approved such action in accordance with the provisions of the Rules of the Organisation of the Noteholders.

***Conflicts of interest will be managed by the Representative of the Noteholders in a manner which may not be in line with the interests of certain Classes of Notes***

Without prejudice to the provisions of the Rules of the Organisation of the Noteholders concerning the Basic Terms Modifications, where the Representative of the Noteholders is required to consider interests of the Noteholders and, in its opinion, there is a conflict between all or any of the interests of one or more Classes of Noteholders, or between one or more Classes of Noteholders and any Other Issuer Creditors, the Representative of the Noteholders shall have regard only to the holders of the Most Senior Class of Notes.

Therefore, in certain circumstances, the interests of certain Classes of Notes may not be taken into account.

***Direction of the holders of the Most Senior Class of Notes following the delivery of a Trigger Notice may affect the interests of the holders of the other Classes of Notes***

Pursuant to the Intercreditor Agreement and the Rules of the Organisation of the Noteholders, at any time after the delivery of a Trigger Notice, the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Noteholders) direct the Issuer to, dispose of the Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement.

In addition, 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 as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been so directed by an Extraordinary Resolution of the holders of the Noteholders and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

The directions of the holders of the Most Senior Class of Notes in such circumstances will prevail over any different directions of the holders of the other Classes of Notes and may be adverse to the interests of the holders of such other Classes of Notes.

***There is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem operations***

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, there is no assurance that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time.

In the event that the Senior Notes are not recognised (or cease to be recognised) as an eligible collateral for Eurosystem operations, the holders of the Senior Notes would not be able to access the ECB funding. In such case, there is no assurance that the holders of the Senior Notes will find alternative sources of funding or, should such alternative sources be found, these will be at equivalent economic terms compared to those applied by the ECB. In the absence of suitable sources of funding, the holders of the Senior Notes may ultimately suffer a lack of liquidity.

Neither the Issuer, nor the Arrangers, FCAB (in any capacity) or any other Transaction Party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

## 4. RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS

***Resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders irrespective of their interests***

Pursuant to the Rules of the Organisation of the Noteholders: (a) any resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Most Senior Class of Notes shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Classes of Notes duly convened and held in accordance with the

Rules of the Organisation of the Noteholders shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting; and (c) any resolution is passed to the extent that the relevant quorum is reached.

Prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting. Therefore certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution.

***Certain modifications may be adopted by the Representative of the Noteholders without Noteholders' consent***

Pursuant to the Rules of the Organisation of the Noteholders, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to certain conditions being met (including, in some cases, appropriate certifications being provided to the Representative of the Noteholders or a resolution of holders of the Most Senior Class of Notes representing a given percentage of the Principal Amount Outstanding of such Class of Notes not objecting to the relevant authorisation or waiver) concur with the Issuer and any other relevant parties in making any amendment, waiver or modification (other than a Basic Terms Modification) to the Rules of the Organisation of the Noteholders, the Conditions or any of the Transaction Documents (a) which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature; (b) which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; (c) that the Issuer considers necessary, for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended), for the purposes of maintaining such eligibility.

There is no assurance that each Noteholder concurs with any such modification by the Representative of the Noteholders.

## 5. COUNTERPARTY RISKS

***The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of the Servicer***

The Portfolio has been or will, as the case may be, be serviced by FCAB up to the transfer of the relevant Receivables as owner of the Leases and the relevant Receivables and, following the transfer of the Receivables to the Issuer, will continue to be serviced by FCAB as Servicer pursuant to the Servicing Agreement. As a result, the net cash flows from the Portfolio may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

The Servicer has been appointed by the Issuer to collect the Receivables transferred by it (as Originator) to the Issuer and for the cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*). In accordance with the Securitisation Law, the Servicer is therefore responsible for ensuring that the collection of the Receivables serviced by it and the relevant cash and payment services comply with Italian law and with this Prospectus.

Following the termination of the appointment or resignation of the Servicer pursuant to the Servicing Agreement, the obligations of the Servicer under the Servicing Agreement will be undertaken by the Back-up Servicer (if appointed) or a Substitute Servicer, selected by the Issuer in cooperation with the Back-up Servicer Facilitator. There can be no assurance that the Back-up Servicer or a Substitute Servicer who is able and willing

to service the Portfolio could be found. Any delay or inability to appoint a Back-up Servicer or a Substitute Servicer may affect payments on the Notes.

Furthermore, it is not certain that the Back-up Servicer (if appointed) or the Substitute Servicer, as the case may be, would service the Portfolio on the same terms as those provided for in the Servicing Agreement. The ability of the Back-up Servicer (if appointed) or the Substitute Servicer to fully perform the required services will depend, *inter alia*, on the information, software and record available to it at the time of its appointment.

***The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of the Lessees***

The ability of the Issuer to pay the amounts due under the Notes will depend on the Lesses' ability to perfom their payment obligations under the Lease Agreements.

Pursuant to the Master Receivables Purchase Agreement, the Originator has undertaken, in case of early termination of one or more Lease Agreements upon default of the relevant Lessees, (A) to promptly sell or otherwise dispose of, pursuant to article 1, paragraph 138, of Law no. 124 of 4 August 2017, the relevant Car at market value and pay to the relevant Lessee the proceeds of the relevant disposal, net of (i) the Instalments due but unpaid until the date of early termination, (ii) the Instalment Principal Amount not yet due, and (iii) the expenses advanced for the recovery, appraisal and preservation of the Car for the time necessary for the disposal, it being understood that, in case the proceeds of the disposal of the Car are lower than the overall amount due by the Lessee, the Issuer, acting directly or through the Servicer, shall have a residual claims *vis-à-vis* the Lessee for the amount not covered by such proceeds; and (B) to transfer the proceeds of the disposal of the Car up to the Issuer's outstanding claims in respect of the Instalments (other than the Residual Optional Instalment), less the sums paid to the relevant Lessee pursuant to paragraph (A) above, into the Collections Account.

However, there can be no assurance that, in case of early termination of a Lease Agreement upon default of the Lessee, the relevant Car will be actually sold by the Originator and the proceeds of such disposal, net of the amounts to be paid to the relevant Lessee according to article 1, paragraph 138, of Law no. 124 of 4 August 2017, will be timely transferred into the Collections Account.

***The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of other Transaction Parties***

The timely payment of amounts due on the Notes will depend on the performance of other Transaction Parties, including, without limitation, the ability of the Back-up Servicer Facilitator, the Calculation Agent, the Corporate Administrator, the Corporate Servicer, the Stichting Corporate Services Provider, the Principal Paying Agent and the Account Bank to duly perform their obligations under the relevant Transaction Documents. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon (i) the due performance by the Originator of its indemnity or repurchase obligations under the Warranty and Indemnity Agreement and the Master Receivables Purchase Agreement in respect of the Portfolio and (ii) the ability of the Originator to sell or otherwise dispose of the relevant Car in case of early termination of the Lease Agreement upon default of the relevant Lessee. The performance of such parties of their respective obligations under the relevant Transaction Documents may be influenced by the solvency of each relevant party.

The inability of any of the above-mentioned third parties to provide their services to the Issuer (including any failure arising from circumstances beyond their control, such as pandemics) may ultimately affect the Issuer's ability to make payments on the Notes.

***Conflict of interests may influence the performance by the Transaction Parties of their respective obligations under the Securitisation***

Conflict of interest may exist or may arise as a result of any party to the Securitisation (a) having previously engaged or in the future engaging in transactions with other parties to the Securitisation, (b) having multiple roles in the Securitisation, and/or (c) carrying out other transactions for third parties.

Without limiting the generality of the foregoing, under the Securitisation (a) FCAB will act as Originator, Servicer, Subscriber and Corporate Servicer, (b) Banca Finint S.p.A. will act as Representative of the Noteholders, Corporate Administrator and Calculation Agent and (c) BNP Paribas Securities Services, Milan branch will act as Account Bank and Principal Paying Agent.

In addition, the Originator may hold and/or service receivables arising from leases other than the Receivables and providing general financial services to the Lessees. Even though under the Servicing Agreement the Servicer has undertaken to renegotiate the terms of the Leases and/or enter into settlement agreements with the Lessees only having regard primarily to the interests of the Issuer and the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the same Lessees.

The Arrangers may also be involved in a broad range of transactions with other parties. For further details, see the section headed "*Responsibility Statement*".

Conflict of interest may influence the performance by the Transaction Parties of their respective obligations under the Securitisation and ultimately affect the interests of the Noteholders.

***Italian anti-trust authority investigation and potential class action associated therewith might have an adverse impact on FCAB***

On 15 May 2017, the Italian anti-trust authority (*Autorità Garante della Concorrenza e del Mercato - AGCM*) (**AGCM**) announced the start of an investigation into nine automotive manufacturers' captive banks and two industry associations (Assofin "*Associazione Italiana del Credito al Consumo e Immobiliare*" and Assilea "*Associazione Italiana Leasing*"). The investigation concerns alleged anti-competitive practices that would have been based on an exchange of commercially sensitive information, in violation of article 101 of the Treaty on the Functioning of the European Union (the **TFEU**). FCAB is one of the captive banks involved in the investigations.

AGCM announced that the procedure, which was scheduled to end on 31 July 2018, had been extended to 31 December 2018.

On 9 January 2019, a decision of AGCM was served stating that FCAB, together with the other captives, had been found to have exchanged commercially sensitive information via direct contacts, as well as through the local industry associations Assofin and Assilea, with a view - according to the AGCM - to coordinating their commercial strategies with respect to car loans and leasing offerings, in breach of the TFEU.

The AGCM imposed a total sanction of Euro 678 million on the involved parties, and specifically imposed on FCAB a fine of Euro 178.9 million. FCAB challenged the decision before the Regional Administrative Court of Rome (the **Court**) and requested an order from the Court to suspend the payment of the fine. In any case, a prudential reserve had been set aside for an amount of Euro 60 million. This provision did not have a material impact on any of the prudential ratios of FCA Bank Group (both on a consolidated and a standalone basis).

On 4 April 2019, the Court ordered the suspension of the payment, requiring FCA Bank to provide the AGCM with a bank guarantee for an amount equal to the fine, to be retained by AGCM until the decision on the merits becomes enforceable.

The outcome of the judicial proceeding is uncertain and potential class actions on the same grounds may occur. Should any of such class actions be brought successfully against FCAB, this might have an adverse impact on FCAB. As at the date of this Prospectus, it is not possible to predict whether the Securitisation may consequently be affected.

## 6. ORIGINATOR RISKS

***Historical, financial and other information relating to the Originator represents the historical experience of the Originator which may change in the future***

The historical, financial and other information set out in the sections headed "*The Credit and Collection Policies*", "*FCAB*" and "*The Portfolio*" below, including information in respect of collection rates, represents the historical experience of FCAB.

There can be no assurance that the future experience and performance of FCAB, as Servicer of the Portfolio, will be similar to the experience shown in this Prospectus.

## 7. MACRO-ECONOMIC AND MARKET RISKS

***COVID-19 pandemic and possible similar future outbreaks***

Different regions of the world have, from time to time, experienced virus outbreaks. A widespread global pandemic of the severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and of the infectious disease COVID-19, caused by the virus, is currently taking place. Given that this virus and the conditions it causes are relatively new, a vaccine and effective cure is yet to be developed.

Although COVID-19 is still spreading and the final implications of this pandemic are difficult to estimate at this stage, it is clear that it will have significant consequences and will affect the lives of a large portion of the global population. As such, the Originator and Servicer may be adversely affected by the wider macroeconomic effects of the ongoing COVID-19 pandemic and any possible future outbreaks, seeing as it is very likely that this pandemic will have a substantial negative effect on Italy and the Italian market.

At present, the pandemic has led to the state of emergency being declared in various countries, including Italy, as well as the imposition of travel restrictions, including the closure of the Italian land borders and the restriction of flights to and from the European Union, the establishment of quarantines and the temporary shutdown of various institutions and companies, including the adoption by several companies in Italy of an unprecedented measure, namely that of having all, or the vast majority, of its employees now working remotely.

In this context, legislators, regulators and supervisors, on both a national and international level, have issued regulations, communications and guidelines. These are mainly aimed at ensuring that the efforts of the financial institutions are focused on the development of the critical economic functions they perform, and to ensure consistent application of regulatory frameworks.

Indeed, the Italian government enacted Law Decree No. 18 of 17 March 2020 (the **Cura Italia Decree**) implementing a number of financing transaction-related measures designed to mitigate the adverse economic impact of COVID-19. Cura Italia Decree has been converted into law No. 27 of 24 April 2020. The Cura Italia Decree, as converted into law, has introduced a number of urgent measures relating to certain financing transactions to mitigate the adverse economic impact of COVID-19 on individuals, companies, and financial

institutions. The measures includes, *inter alia*, the suspension of payments due under SMEs loans and leases. In this respect, micro, small, and medium-sized enterprises (**SMEs**) may ask for a suspension of payments due under any kind of financing (i.e., secured and unsecured loans, financial lease, etc.) granted by banks, financial intermediaries, and other entities authorized to carry out lending activity in Italy. The suspension shall apply only to enterprises: (i) qualifying as SMEs; (ii) having their registered office in Italy; (iii) not having non-performing exposures; and (iv) certifying that they have suffered a temporary lack of liquidity as a direct consequence of COVID-19. Furthermore, pursuant to the Cura Italia Decree, for amortizing loans (such as the Leases), payments due (in respect of interest and principal or principal only) prior to 30 September 2020, are suspended until 30 September 2020, and the repayment plan is updated and deferred to avoid further costs and burdens (the **Suspension of Payments**).

By means of Law Decree No. 104 of 14 August 2020 converted into law No. 126 of 13 October 2020 (the **August Decree**), the deadline of the Suspension of Payments has been extended until 31 January 2021. According to the August Decree, such extension shall automatically apply to SMEs whose loans and leases were already suspended, but does not automatically apply to SMEs who had waived or terminated the Suspension of Payments prior to 30 September 2020. It remains understood that until 31 January 2021 SMEs which, as at the date of the entry into force of the August Decree, are not beneficiaries of the Suspension of Payments but meet the requirements described above, may ask for such fincancial support measure.

Under the Servicing Agreement FCAB may amend or renegotiate any terms of the Lease Agreements (each a **Contractual Renegotiation**), provided that such Contractual Renegotiations do not infring the limits set out in the Servicing Agreement (the **Renegotiation Limits**). For the avoidance of any doubt, the renegotiations made by FCAB in compliance with mandatory provisions of law or acts having force of law (as the Suspension of Payments), trade association agreements or guidelines or recommendation of authority are in addition to the Contractual Renegotiations and as a consequence are not subject to the Renegotiation Limits.

With respect to the Notes, any quarantines or spread of viruses may affect in particular: (i) the Originator's own capacity to carry out its business as normal (as with the current COVID-19 situation in which the Italian Government impose additional teleworking and certain lookdowns); (ii) the ability of some Lessee's to make timely payments of principal and/or interests under their Leases; (iii) the ability of the Originator to assign Additional Receivables during the Revolving Period; (iv) the cash flows derived from the Receivables in the event of payment holidays or any other measure whether imposed by the competent government authority or applicable legislation or otherwise affecting payments to be made by the Lessees under the Receivables; (v) the market value of the Notes; and (vi) third parties ability to perform their obligations under the Transaction Documents to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics).

Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

***Lack of liquidity in the secondary market for the Notes may affect the market value of the Notes***

There is not at present an active and liquid secondary market for the Notes. The Notes have not and will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States.

Although an application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on its regulated market the Rated Notes, there can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop in respect of the Notes, that it will provide the holders of such Notes with liquidity of investments or that it will continue until the final redemption and/or

cancellation of the such Notes. Consequently, any purchaser of the Notes may be unable to sell such Notes to any third party and it may therefore have to hold the Notes until final redemption and/or cancellation thereof.

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

***Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit) may affect the performance of the Securitisation***

The Issuer may be affected by disruptions and volatility in the global financial markets.

During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund.

In addition, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the **Article 50 Withdrawal Agreement**). On 31 January 2020 the UK and the European Union finalised and ratified the Article 50 Withdrawal Agreement. Part Four of the Article 50 Withdrawal Agreement provides that the UK's exit from the EU will be followed by a transition period which will end on 31 December 2020 which can be extended for up to one or two years.

The exit of the United Kingdom from the European Union, the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom, the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities with possible negative consequences on the performance of the Securitisation.

***Geographic Concentration Risks***

The Originator operates solely in Italy and a deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household incomes could have an adverse effect on the ability of the Lessees to make payments on the Leases and result in losses on the Notes.

Leases in the Portfolio may also be subject to geographic concentration risks within certain regions of Italy. To the extent that specific geographic regions in Italy have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) than other regions in Italy, a concentration of the Leases in such a region may exacerbate the risks relating to the Leases described in this section. Certain geographic regions in Italy rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the

repayment ability of the Lessees in that region or the region that relies most heavily on that industry. In addition, any natural disasters or widespread health crises or the fear of such crises (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases) in a particular region may weaken economic conditions and negatively impact the ability of affected Lessees to make timely payments on the Leases. This may affect receipts on the Leases. If the timing and payment of the Leases is adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes. For an overview of the geographical distribution of the Leases as at the Initial Valuation Date, see the section headed "*The Portfolio*". Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

***Reduction or withdrawal of the ratings assigned to the Rated Notes after the Issue Date may affect the market value of the Rated Notes***

The credit ratings assigned to the Rated Notes reflect the Rating Agencies' assessment only of the likelihood of payment of interest in a timely manner, pursuant to the Conditions and the Transaction Documents, and the ultimate repayment of principal on or before the Final Maturity Date, not that such repayment of principal will be paid when expected or scheduled. The ratings do not address (i) the likelihood that the principal will be redeemed on the Rated Notes, as expected, on the scheduled redemption dates; (ii) the possibility of the imposition of Italian or European withholding taxes; (iii) the marketability of the Rated Notes, or any market price for the Rated Notes; or (iv) whether an investment in the Rated Notes is a suitable investment for a Noteholder.

The ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement. Future events such as any deterioration of the Portfolio, the unavailability or the delay in the delivery of information, the failure by the Transaction Parties to perform their obligations under the Transaction Documents and the revision, suspension or withdrawal of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation could have an adverse impact on the credit ratings of the Rated Notes, which may be subject to revision or withdrawal at any time by the assigning Rating Agency. In addition, in the event of downgrading of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation, there is no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Rated Notes may be affected.

A rating is not a recommendation to purchase, hold or sell the Rated Notes. In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by European Securities and Markets Authority on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated European Securities and Markets Authority's list.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgment of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the market value of the Rated Notes.

***Assignment of unsolicited ratings may affect the market value of the Rated Notes***

The Issuer has not requested a rating of the Rated Notes by any rating agency other than the Rating Agencies.

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

## 8. LEGAL AND REGULATORY RISKS

***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 Arrangers nor any other Transaction Party makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

In particular, prospective investors should note that the Basel Committee on Banking Supervision (the **Basel Committee**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

In addition, prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various type of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS

funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, FCAB (in any capacity), the Arrangers or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors in the Notes who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) no. 2402/2017 and Regulation (EU) no. 2401/2017) which apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the new requirements and the previous requirements including with respect to certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance will be made through new technical standards. In general, the new regulations (including the retention and due diligence requirements) apply to securitisations the securities of which are issued on or after the application date of 1 January 2019. Accordingly, the new requirements apply in respect of the Notes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

***EU Securitisation Regulation has introduced new requirements which should be assessed independently by the investors***

On 12 December 2017, the European Parliament adopted the EU Securitisation Regulation which applies from 1 January 2019. The EU Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, the AIFM Regulation and the Solvency II Regulation and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or

an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations. The risk retention, transparency, due diligence and underwriting criteria requirements set out in the EU Securitisation Regulation apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, FCAB (in any capacity), the Arrangers, the Representative of the Noteholders or any other Transaction Party makes any representation that such information is sufficient in all circumstances for such purposes.

Various parties to the Securitisation are subject to the requirements of the EU Securitisation Regulation. However, the Regulatory Technical Standards issued by EBA in relation to the risk retention requirements are not yet in final form, whilst it remains a certain degree of unicertainty as to the interpretation of the Regulatory Technical Standards issued by ESMA in relation to transparency obligations. Prospective investors in the Notes must make their own assessment in relation to compliance with such requirements.

***Investors have to comply with due diligence requirements under the EU Securitisation Regulation***

Investors should be aware of the due diligence requirements under article 5 of the EU Securitisation Regulation that apply to institutional investors with an EU nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds). Amongst other things, such requirements restrict an institutional investor (other than the originator, sponsor or original lender within the meaning of the EU Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

(a) that institutional investor has verified that:

  (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;

  (ii) the risk retention requirements set out in article 6 of the EU Securitisation Regulation are being complied with; and

  (iii) information required by article 7 of the EU Securitisation Regulation has been made available; and

(b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

In addition, under article 5(4) of the EU Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative or pecuniary sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor. In addition, if the Originator fails to comply with risk retention requirements set out in article 6 of the EU Securitisation Regulation, some administrative or pecuniary sanctions may apply and this may potentially have an impact on the ability of the Originator to perform its obligations under the Securitisation.

The institutional investor due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors.

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

***Disclosure requirements under the EU Securitisation Regulation are uncertain in some respects***

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the EU Securitisation Regulation apply in respect of the Notes. Pursuant to article 7(2) of the EU Securitisation Regulation, the originator, the sponsor and the securitisation special purpose entity of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (c), (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated secuitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the EU Securitisation Regulation, will in turn disclose information on securitisation transactions to the public. The disclosure requirements set out in article 7 of the EU Securitisation Regulation replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning structured finance instruments within the meaning of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the EU Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the EU Securitisation Regulation which included revised draft reporting templates". As at the date of this Prospectus, such disclosure technical standards have been published in the Official Gazette of the European Union and have entered into force as from 23 September 2020, but it remains a certain degree of uncertainty as to the interpretation thereof. In addition, as at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy. Neither the Issuer, the Arrangers, the Representative of the Noteholders nor any other Transaction Party and any of their respective affiliates:

(i) gives any representation (whether express or implied), warranty, confirmation or guarantee to any investor in the Notes that the information described in this Prospectus, or any other information which may be made available to investors, is or will be sufficient for the purposes of any institutional investor's compliance with any due diligence requirement set out in article 5 of the EU Securitisation Regulation;

(ii) to the maximum extent permitted by law, has or shall have any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the due diligence and retention rules set out in articles 5 and 6 of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements, nor has any obligation to provide any further information or take any other steps that may be required by any institutional investor to enable compliance by such person with the requirements of any due diligence and investor requirement or any other applicable legal, regulatory or other requirements.

***Italian consumer legislation contains certain protections in favour of lessees***

The Portfolio comprises and will comprise Receivables deriving from Leases granted to, *inter alios*, individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities. Such Leases fall within the category of "consumer loans" which, in Italy, is regulated by, *inter alia*: (a) articles 121 to 126 of the Consolidated Banking Act and (b) regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*), as amended and supplemented from time to time. Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by article 122, paragraph 1, letter a) of the Consolidated Banking Act.

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

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

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

    (ii) in the case of overdraft facilities; or

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

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

(b) pursuant to paragraph 1 of article 125-*septies* of the Consolidated Banking Act, debtors are entitled to exercise, against the assignee of a lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian civil code (that is even if the borrower has accepted the assignment or has been notified thereof). It is debated whether paragraph 1 of article 125-*septies* of the Consolidated Banking Act allows the assigned consumer to set-off against the assignee only receivables that had arisen *vis-à-vis* the assignor before the assignment or also those receivables arising after the assignment, regardless of any notification/acceptance of the same. In this respect it should be noted that the Securitisation Law (as amended by Italian Law no. 9 of 21 February 2014) provides, *inter alia*, that, notwithstanding any provision of law providing otherwise, no set-off may be exercised by a debtor *vis-à-vis* the purchasing issuer grounded on claims which have arisen towards the seller after (a) the date of publication of the notice of transfer of the relevant receivables in the Official Gazette or (b) the payment of the purchase

price (even partial) of the relevant receivables bearing data certain at law (*data certa*). Furthermore, in the Warranty and Indemnity Agreement the Originator has represented that, save for the rights resulting from the application of article 125-*quinquies* or 125-*sexies* of the Consolidated Banking Act (where applicable), no Lessee is entitled to exercise any rights of termination, counterclaim, set-off or defence pursuant to the terms of the relevant Lease Agreement that would render the relevant Lease Agreement unenforceable, in whole or in part, or subject to any right of rescission, counterclaim, set-off or defence; for further details, see also the paragraph "*assignment*" under the section headed "*Selected Aspects of Italian Law*" below.

The Leases granted to Lessees who qualify as a "consumer" pursuant to the Consolidated Banking Act are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by the legislative decree 6 September 2005, No. 206 ("*Codice del consumo, a norma dell'articolo 7 della legge 29 luglio 2003, n. 229*") (the **Consumer Code**), which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, contractual provisions which give the right to the non-consumer contracting party to (a) terminate the contract or (b) modify the conditions of the contract without reasonable cause. However, with regard to financial contracts, if there is a valid reason, the provider is empowered to modify the economic terms but must inform the consumer immediately; in this case, the consumer has the right to terminate the contract.

Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the non-consumer contracting party to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party to be bound by clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract.

FCAB has represented and warranted in the Warranty and Indemnity Agreement that the Leases comply with all applicable laws and regulations.

***The insolvency and the non-performance of the Lessees may affect the Lease Agreements***

The insolvency of a Lessee, as well as the non-performance of its obligations arising from the Lease Agreements, may affect the Lease Agreements and as a result may have an impact on the ability of the Issuer to pay interests and principal on the Notes.

Pursuant to article 72-*quater* of the Bankruptcy Law, the effects of the insolvency of a lessee on a financial lease agreement are regulated by article 72 of the Bankruptcy Law, pursuant to which, where a contract is still unexecuted or has not been completely executed by either party, when either of such parties is declared bankrupt (i.e. the lessee), the execution of the contract remains suspended until the bankruptcy receiver (*curatore*), with the authorisation of the committee of creditors (*comitato dei creditori*), declares to either: (a) succeed under the contract by assuming all of the relevant contractual obligations; or (b) terminate such contract. In the event of termination of the contract, the lessor is entitled to the restitution of the leased asset and is obliged to pay to the official receivership the difference, if any, between: (a) the higher amount received by the lessor from the sale or other disposal of the leased asset; and (b) the outstanding claims of the lessor in respect of the principal

under the lease contract, provided that, however, any instalments paid by the lessee prior to the insolvency are not subject to claw-back, in accordance with article 67, third paragraph, item (a) of the Bankruptcy Law.

In addition, pursuant to article 169-*bis*, paragraph 5, of the Bankruptcy Law, in case of termination of a financial lease agreement in the context of a workout agreement with creditors (*concordato preventivo*), the lessor will have the right to receive the leased assets back and must pay to the lessee the difference (if any) between the higher amount deriving from the sale or other disposal of such leased assets and the outstanding capital amount owed by the lessee to the lessor. When paid, any such sum will become part of the bankruptcy estate. The lessor will have a claim towards the lessee for an amount equal to the difference between the credit held on the date on which the petition to be admitted to a workoutagreement is filed and the revenues derived by way of the other disposal of the leased assets.

Pursuant to article 1, paragraph 137 of law no. 124 of 4 August 2017 (**Law 124/2017**), if a lessee fails to pay at least 4 (four) monthly instalments or 2 (two) quarterly instalments, although not consecutive, or an equivalent amount in relation to a lease agreement (other than a real estate lease agreement), the relevant lease agreement can be terminated.

In the event of termination of the lease agreement upon default of a lessee, pursuant to article 1, paragraph 138 of Law 124/2017 the lessor (A) is entitled to the return of the leased asset and (B) is required to pay to the lessee an amount equal to the proceeds arising from the sale or other disposal of the leased asset, carried out at market values, less the sum equal to (i) the instalments due and not yet paid as at termination date, (ii) the principal amount of the instalments not yet due, (iii) the residual option purchase price and (iv) the expenses advanced for the sale or recovery of the asset.

It should be noted that, in respect of the Securitisation, the proceeds arising from the sale or other disposal of a Car upon default of a Lessee shall form part of the Issuer Available Funds up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalment, of the relevant Lease.

***Application of the Securitisation Law has a limited interpretation***

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

***The Originator intends to rely on an exemption from U.S. Risk Retention Requirements***

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 (five) per cent. of the "credit risk" of "securitized assets" as such terms are defined for the purposes of that statute and generally prohibit a "securitizer" from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the "securitizer" is required to retain.

The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose. The Originator, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar

value (or equivalent amount in the currency in which the "ABS interests" (as defined in the U.S. Risk Retention Rules) are issued) of all classes of ABS interests issued in the securitisation transaction are sold or transferred to, or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Each holder of a Note or beneficial interest therein acquired on the Issue Date, by its acquisition of a Note or beneficial interest therein, will be deemed and, in certain circumstances, will be required to represent to the Issuer, the Originator and the Arrangers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described herein).

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S, and that persons who are not "U.S persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(i), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and "Risk Retention U.S. Person" as used in this Prospectus) means any of the following:

(a) any natural person resident in the United States;

(b) any partnership, corporation, limited liability company or orther organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

  (i) organised or incorporated under the laws of any foreign jurisdiction; and

  (ii) formed by a U.S. (as defined under any other clause of this definition) person principally for the purpose of investing in securities not registered under the Securities Act.

The Originator and the Issuer have agreed that the determination of the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules is solely the responsibility of the Originator, and the Arrangers shall have no responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __ 20 of the U.S. Risk Retention Rules.

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

***The Volcker Rule may restrict the ability of relevant individual prospective purchaser to invest in the Notes***

The Issuer is of the view that it is not now, and immediately following the issuance of the Notes and the application of the proceeds thereof, will not be, a "covered fund" as defined in the regulations promulgates under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "**Volcker Rule**". Although other exclusions may be available to the Issuer, the Issuer should be able to rely on an exemption from the Volcker Rule under the "loan securitization exclusion". Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects. If the Issuer is considered a "covered fund", the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes.

On 30 January 2020, the five regulatory bodies responsible for the enforcement of the Volcker Rule published proposed revisions to the Volcker Rule (the **Proposed Volcker Changes**) that would, among other things, permit covered funds relying on the "loan securitization exclusion" from the Volcker Rule to acquire assets that do not constitute loans or other assets or rights currently permitted under the "loan securitization exclusion" in an aggregate amount not to exceed 5% of the aggregate value of the issuing entity's assets. If adopted, the Proposed Volcker Changes may permit the Issuer to acquire bonds, securities and other assets that are currently not permitted under the Transaction Documents. There can be no assurances that the Proposed Volcker Changes will be adopted in the form proposed, or at all.

***Italian Usury Law has been subject to different interpretations over the time***

Italian Law no. 108 of 7 March 1996 (as amended and supplemented, the **Usury Law**) introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the **Usury Rates**) set every three months on the basis of a Decree issued by the Italian Treasury (the last such Decree having been issued on 26 September 2020). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to the entering into force of the Usury Law, the Italian Government has specified with Law Decree number 394 of 29 December 2000 (the **Usury Law Decree**), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at

the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Recently, such opinion seems confirmed by the Italian Supreme Court (Cass. Sez. I, 11.01.2013, number 602 and Cass. Sez. I, 11.01.2013, number 603), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans.

The Usury Law Decree also provides 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 loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

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

The Italian Supreme Court, under decision number 350/2013, clarified that default interest is relevant for the purposes of determining whether an interest rate is usurious. Such interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates.

The Italian Supreme Court, under decision number 350/2013, as recently confirmed by decision number 23192/17, has clarified that the default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rates. Such interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates.

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

Pursuant to the Warranty and Indemnity Agreement, the Originator has represented that each Lease Agreement was entered into and is in compliance with Usury Law and has consequently undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer as a consequence of any breach of such representation. However, if a Lease is found to contravene the Usury Law, the relevant Lessee might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Lease. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

***Rules on compounding of interest (*anatocismo*) have been subject to different interpretation over the time***

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than 6 (six) months only (i) under an agreement entered into after

the date on which it has become due and payable or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99, number 2593/03, number 21095/2004 as confirmed by judgement no. 24418/2010 of the same Court) have held that such practices may not be defined as customary practices ("*uso normativo*").

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

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been amended by article 17-bis of Law Decree number 18 of 14 February 2016 (as converted into law by Law number 49 of 8 April 2016), providing that interests (other than defaulted interests) shall not accrue on capitalised interest. Paragraph 2 of article 120 of the Consolidated Banking Act also requires the *Comitato Interministeriale per il Credito e il Risparmi*o (**CICR**) to establish the methods and criteria for the compounding of interest. Decree no. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of article 120 of the Consolidated Banking Act, has been published in the Official Gazette no. 212 of 10 September 2016. Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

In this respect FCAB has represented in the Warranty and Indemnity Agreement that each Lease Agreement was entered into and is in compliance with article 1283 of the Italian civil code and has consequently undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer as a consequence of any breach of such representation.

***Enforcement of certain Issuer's rights may be prevented by statute of limitations***

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the 1 (one) year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originator in the Warranty and Indemnity Agreement, on the ground that such provisions may not be derogated from by the parties to a sale contract (*contratto di compravendita*) (such as the Master Receivables Purchase Agreement and the relevant Purchase Agreement).

However, under the Warranty and Indemnity Agreement the Originator and the Issuer have acknowledged and agreed that the provisions of article 1495 of the Italian civil code shall not apply to the representations and warranties given by the Originator thereunder.

***Change of law may impact the Securitisation***

The structure of the Securitisation and the ratings assigned to the Rated Notes are based on Italian and English laws and tax regulations and their official interpretations in force as at the date of this Prospectus.

In the event of any change in the law and/or tax regulations and/or their official interpretations after the Issue Date, the performance of the Securitisation and the ratings assigned to the Rated Notes may be affected. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or

disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of any transaction described in this Prospectus or of any party under any applicable law or regulation.

## 9. TAX RISKS

***No gross-up will be made by the Issuer in case withholding tax applies on the Notes***

Payments of interest and other proceeds under the Notes may in certain circumstances be subject to a Decree 239 Deduction. In such circumstance, interest payment relating to the Notes of any Class may be subject to a Decree 239 Deduction. Decree 239 Deduction, if applicable, is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to 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. For further details, see the section headed "*Taxation in the Republic of Italy*".

***Scope of application of FATCA is unclear in some respects***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as **FATCA**), provides that various information reporting requirements must be satisfied with respect to (i) certain payments from sources within the United States, (ii) "foreign pass-through payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (the **IGAs**). Pursuant to FATCA and the **Model 1** and **Model 2** IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the **US-Italy IGA**) based largely on the Model 1 IGA, which has been ratified in Italy by Law No. 95 of 18 June 2015.

Since the FATCA regulations are complex and uncertain in some respects, in particular with respect to the definition of so-called "pass-thru payments" the application of FATCA to payments between financial intermediaries is not entirely certain. Indeed, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding.

Accordingly it is not completely clear how FATCA may affect the Notes and/or the parties of the Transaction Documents; therefore, investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. However, the Issuer will not pay any additional amounts to Noteholders in respect of taxes imposed under FATCA or any law enacted to implement an intergovernmental agreement relating to FATCA and they have no responsibility for any amount thereafter transmitted through the custodians or intermediaries.

***Tax treatment of the Issuer is based on the current interpretation of the Securitisation Law***

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 15 December 2015 (*Istruzioni per la redazione dei bilanci e dei rendiconti degli Intermediari finanziari, degli istituti di pagamento, degli istituti di moneta elettronica, delle SGR e delle SIM*), as updated from time to time, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolio will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. In 2016 the Bank of Italy has issued new regulations, as amended from time to time (*Il bilancio degli intermediari IFRS diversi dagli intermediary bancari*) in which all the references to the special purpose vehicles incorporated for the purposes of the carrying out of securitisation transactions have been deleted in accordance with a general principle that special purpose vehicles should not be subject to regulatory supervision. In the lack of any specific accounting provisions and any clarification by the Bank of Italy, the market operators have nonetheless continued applying the regulations issued by the Bank of Italy on 15 December 2015, treating the assets, liabilities, costs and revenues of special purpose vehicles incorporated pursuanto to the Securitisation Law as off-balance sheet items. Based on the general rules, the net taxable income of a company resident in Italy should be calculated on the basis of accounting, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. However, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the Securitisation. 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, confirmed by Ruling no. 77/E of 4 August 2010) 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 Securitisation Law 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.

## TRANSACTION OVERVIEW

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

### 1. THE PRINCIPAL PARTIES

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|---|---|
| **Issuer** | **Asset-Backed European Securitisation Transaction Eighteen S.r.l.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00 fully paid up, fiscal code and enrolment with the companies register of Treviso-Belluno number 05021340269, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35739.2 and having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.<br><br>The Issuer has been established as a special purpose vehicle for the purposes of carrying out securitisation transactions in accordance with the Securitisation Law. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to Condition 5.13 (*Further Securitisations*).<br><br>For further details, see the section headed "*The Issuer*". |
| **Originator** | **FCA Bank S.p.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Corso Agnelli 200, 10135 Turin, Italy, share capital of euro 700,000,000 fully paid up, fiscal code and enrolment with the companies register of Turin number 08349560014 and enrolled under number 5764 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act (**FCAB**).<br><br>For further details, see the section headed "*FCAB*". |
| **Servicer** | **FCAB**.<br><br>The Servicer will act as such pursuant to the Servicing Agreement.<br><br>For further details, see the section headed "*FCAB*". |
| **Representative of the Noteholders** | **Banca Finanziaria Internazionale S.p.A.**, *breviter* **Banca Finint S.p.A.**, a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, |

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| | VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*" (**Banca Finint**).<br><br>The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement.<br><br>For further details, see the section headed "*Banca Finint*". |
| **Calculation Agent** | **Banca Finint**.<br><br>The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.<br><br>For further details, see the section headed "*Banca Finint*". |
| **Account Bank** | **BNP Paribas Securities Services, Milan Branch**, a company incorporated under the laws of the Republic of France as a *société en commandite par actions*, having its registered office at 3 Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices in Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, enrolled with the companies' register of Milano - Monza - Brianza - Lodi under no. 13449250151 (**BNP Paribas Securities Services, Milan branch**).The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.<br><br>For further details, see the section headed "*BNP Paribas Securities Services, Milan branch*". |
| **Principal Paying Agent** | **BNP Paribas Securities Services, Milan branch**.<br><br>The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.<br><br>For further details, see the section headed "*BNP Paribas Securities Services, Milan branch*". |
| **Corporate Servicer** | **FCAB**.<br><br>The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.<br><br>For further details, see the section headed "*FCAB*". |
| **Corporate Administrator** | **Banca Finint**. |

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| | The Corporate Administrator will act as such pursuant to the Corporate Administration Agreement.<br><br>For further details, see the section headed "*Banca Finint*". |
| **Back-up Servicer Facilitator** | **Zenith Service S.p.A.**, a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Betteloni, 2, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Milano - Monza - Brianza - Lodi under number 02200990980, with a share capital of Euro 2,000,000 fully paid-up, enrolled in the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under number 30, ABI Code 32590.2 (**Zenith Service**).<br><br>The Back-up Servicer Facilitator will act as such pursuant to the Cash Allocation, Management and Payments Agreement.<br><br>For further details, see the section headed "*Zenith Service*". |
| **Quotaholder** | **Stichting Tognazzi**, a Dutch law foundation (*stichting*), incorporated under the laws of The Netherlands, having its registered office at Barbara Strozzilaan 101, 1083HN Amsterdam, The Netherlands, enrolled with fiscal code no. 97841880152 and enrolled with the Chamber of Commerce of Amsterdam under no. 74176935.<br><br>For further details, see the section headed "*The Issuer*". |
| **Stichting Corporate Services Provider** | **Wilmington Trust SP Services (London) Limited**, a company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, enrolled with the Trade Register of the Chamber of Commerce of England and Wales under no. 02548079.<br><br>The Stichting Corporate Services Provider will act as such pursuant to the Stichting Corporate Services Agreement. |
| **Listing Agent** | **BNP Paribas Securities Services, Luxembourg branch**, a bank organised and incorporated under the laws of the Republic of France as a *société en commandite par actions*, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Luxembourg branch with offices at 60 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.<br><br>BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or |

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| | third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. |
| **Reporting Entity** | **FCAB**.<br><br>For further details, see the section headed "*FCAB*". |
| **Arrangers** | **BNP Paribas**, a company incorporated under the laws of the Republic of France as a *société anonyme*, whose registered office is at 16 boulevard des Italiens, 75009 Paris, France, registered with the Chamber of Commerce of Paris under No. 662 042 449 RCS.<br><br>**Crédit Agricole Corporate & Investment Bank**, **Milan branch**, a bank and authorised credit institution incorporated under the laws of the Republic of France, registered with the Registre du Commerce et des Sociétés of Nanterre under number 304 187 701, whose registered office is at 12 place des Etats-Units - CS 70052 92547 Montrouge cedex, France, acting through its Milan branch with offices at Piazza Cavour 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Consolidated Banking Act.<br><br>**Natixis S.A., Milan branch**, a company incorporated under the laws of France, with a share capital of Euro 5,040,461,747.20, having registered office in 30 avenue Pierre Mendes-France, Paris, France, acting through its Milan branch, with registered office in Milan, Via Borgogna 8, registered at the companies' register of Milano - Monza - Brianza - Lodi with registration and VAT number 13445090155 and with the banks' registry (*Albo delle Banche*) at no. 5490 pursuant to article 13 of the Consolidated Banking Act.<br><br>**Unicredit Bank AG**, a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares (*aktiengesellschaft*), registered with the commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the "*Gruppo Bancario UniCredit*" and having its head office at Arabellastrasse 12, 81925 München, Federal Republic of Germany. |
| **Subscriber** | **FCAB**.<br><br>The Subscriber will subscribe for the Notes pursuant to the Subscription Agreement. |

As at the date of this Prospectus, there are no relationships of direct or indirect control or ownership among the parties listed above, except for the relationships described in the sections headed "*The Issuer*", "*FCAB*" and "*BNP Paribas Securities Services, Luxembourg branch*".

## 2. THE PRINCIPAL FEATURES OF THE NOTES

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| **The Notes** | On 11 November 2020 (the **Issue Date**), the Issuer will issue: |

**Senior Notes**

(a) € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033 (the **Class A Notes** or the **Senior Notes**);

**Mezzanine Notes**

(b) € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033 (the **Class B Notes**);

(c) € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033 (the **Class C Notes** and, together with the Class B Notes, the **Mezzanine Notes** and, together with the Senior Notes, the **Rated Notes**); and

**Unrated Notes**

(d) € 12,000,000 Class M Asset-Backed Fixed Rate Notes due November 2033 (the **Class M Notes** or the **Unrated Notes** and, together with the Rated Notes, the **Notes**).

**Issue Price**

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

| *Class* | *Issue Price* |
|---|---|
| Class A | 100 per cent. |
| Class B | 100 per cent. |
| Class C | 100 per cent. |
| Class M | 100 per cent. |

**Interest on the Notes**

The Notes will bear interest on their Principal Amount Outstanding from (and including) the Issue Date until final redemption or cancellation as provided for in Condition 8 (*Redemption, purchase and cancellation*).

The rate of interest applicable to the Notes (the **Rate of Interest**) for each Interest Period will be:

(a) in respect of the Class A Notes, a fixed rate equal to 0.35 per cent per annum;

(b) in respect of the Class B Notes, a fixed rate equal to 1.15 per cent per annum;

(c) in respect of the Class C Notes, a fixed rate equal to 1.70 per cent per annum; and

(d) in respect of the Class M Notes, a fixed rate equal to 7.50 per cent per annum.

**Accrual of interest**

Interest in respect of the Notes will accrue on a daily basis during each Interest Period and will be payable in Euro in arrear on each

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|---|---|
| | Payment Date in accordance with the applicable Priority of Payments and subject to as provided in Condition 10 (*Payments*). |
| **Payment Date** | The 15th (fifteenth) calendar day of each month or, if any such day is not a Business Day, the immediately following Business Day provided that, following the delivery of a Trigger Notice, it shall also be any other Business Day designated as such by the Representative of the Noteholders after consultation with the Servicer, provided that the first Payment Date will fall in January 2021. |
| **Form and denomination of the Notes** | The authorised denomination of the Notes will be € 100,000 and integral multiples of € 1,000 in excess thereof.<br><br>The Notes will be issued in bearer form (*al portatore*) and dematerialised form (*in forma dematerializzata*) on the terms of, and subject to, the Conditions and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders.<br><br>The Notes will be deposited by the Issuer with Monte Titoli on the Issue Date and will at all times be in book entry form, and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-*bis* of the Consolidated Financial Act; and (ii) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes. |
| **ISIN Codes** | Upon acceptance for clearance by Monte Titoli, the Notes of each Class have been assigned the following ISIN Codes:<br><br>(a) Class A Notes: IT0005426439;<br><br>(b) Class B Notes: IT0005426447;<br><br>(c) Class C Notes: IT0005426454; and<br><br>(d) Class M Notes IT0005426462. |
| **Status** | The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Portfolio and the other Issuer's Rights. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. |
| **Ranking and subordination** | In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Conditions and the Intercreditor Agreement provide that: |

(a) for so long as the Pre-Acceleration Interest Priority of Payments applies, in respect of the obligations of the Issuer to pay interest on the Notes:

(i) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class B Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class C Notes and the Class M Notes, but subordinated to the Class A Notes;

(iii) the Class C Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class M Notes, but subordinated to the Class A Notes and the Class B Notes;

(iv) the Class M Notes will rank *pari passu* and without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes.

(b) for so long as the Pre-Acceleration Principal Priority of Payments applies, in respect of the obligations of the Issuer to repay principal on the Notes:

(i) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class B Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class C Notes and the Class M Notes, but subordinated to repayment of principal on the Class A Notes and no amount of principal in respect of the Class B Notes shall become due and payable or be repaid until redemption in full of the Class A Notes;

(iii) the Class C Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class M Notes, but subordinated to repayment of principal on the Class A Notes and the Class B Notes and no amount of principal in respect of the Class C Notes shall become due and payable or be repaid until redemption in full of the Class A Notes and the Class B Notes;

(iv) the Class M Notes will rank *pari passu* and without any preference or priority among themselves, but subordinated to repayment of principal on the Class A Notes, the Class B Notes and Class C Notes and no amount of principal in respect of the Class M Notes shall become due and payable or be repaid until redemption in full of the Class A Notes, the Class B Notes and the Class C Notes;

(c) for so long as the Post-Acceleration Priority of Payments applies, in respect of the obligations of the Issuer to pay interest on the Notes and repay principal on the Notes:

(i) the Class A Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class A Notes and payment of interest and repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class A Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest on the Class A Notes and in priority to payment of interest and repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(iii) the Class B Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes, payment of interest and repayment of principal on the Class C Notes and the Class M Notes;

(iv) the Class B Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, payment of interest on the Class B Notes and in priority to payment of interest and repayment of principal on the Class C Notes and the Class M Notes;

(v) the Class C Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest and repayment of principal on the Class A

Notes and the Class B Notes and in priority to repayment of principal on the Class C Notes, payment of interest and repayment of principal on the Class M Notes;

(vi) the Class C Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and the Class B Notes and payment of interest on the Class C Notes and in priority to payment of interest and repayment of principal on the Class M Notes;

(vii) the Class M Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, the Class B Notes and the Class C Notes and in priority to repayment of principal on the Class M Notes; and

(viii) the Class M Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, the Class B Notes and the Class C Notes and payment of interest on the Class M Notes.

**Withholding tax on the Notes**

All payments in respect of the Notes by or on behalf of the Issuer will be made without any Tax Deduction, other than a Decree 239 Deduction or any other Tax Deduction which may be required to be made by any applicable law. Neither the Issuer nor any person on its behalf shall be obliged to pay any additional amount to any Noteholder on account of any such Tax Deduction.

For further details see the section headed "*Taxation in the Republic of Italy*".

**Partial amortisation of the Class A Notes during the Revolving Period**

The Class A Notes will be subject to mandatory redemption in accordance with Condition 8.3 (*Notes Pre-Amortisation Event*) in part *pro rata* on any Payment Date during the Revolving Period if, on the immediately preceding Calculation Date, a Notes Pre-Amortisation Event has occurred. The Class A Notes shall be redeemed on such Payment Date in accordance with the Conditions by applying the Pre-Amortisation Principal Payment Amount determined on the immediately preceding Calculation Date.

**Notes Pre-Amortisation Event** means, in relation to a Calculation Date, the circumstance that the amount of Principal Available

Funds remaining after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments on the immediately following Payment Date exceeds 15 per cent. of the Principal Amount Outstanding of the Notes on such Calculation Date.

**Pre-Amortisation Principal Payment Amount** means, during the Revolving Period in respect of any Payment Date following the occurrence of a Notes Pre-Amortisation Event, an amount equal to the Principal Available Funds remaining on such Payment Date after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments.

**Mandatory redemption during the Amortisation Period**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date during the Amortisation Period in accordance with Condition 8.2 (*Mandatory redemption during the Amortisation Period*), in each case if on any such date there are sufficient Principal Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

**Optional redemption for clean-up call**

Provided that no Trigger Notice has been served on the Issuer, the Issuer may, on any Payment Date following the occurrence of a Clean-up Call Event, redeem the Rated Notes (in whole but not in part) and the Unrated Notes (in whole or in part) at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Post-Acceleration Priority of Payments pursuant to Condition 8.4 (*Optional redemption for clean-up call*), subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Representative of the Noteholders and to the Noteholders, with copy to the Servicer and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes; and

(b) on or prior to the notice referred to in paragraph (a) above being given, delivering to the Representative of the Noteholders, with copy to the Servicer, a certificate duly signed by a director of the Issuer confirming that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to redeem at least the Rated Notes and pay any amount required to be paid under the Post-Acceleration Priority of Payments in priority thereto.

For the purposes of Condition 8.4 (*Optional redemption for clean-up call*), **Clean-up Call Event** means the circumstance that the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Portfolio is equal to, or less

than, 10 (ten) per cent of the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Initial Pool as at the Initial Pool Transfer Effective Date.

Under the terms of the Master Receivables Purchase Agreement, the Originator has been given an option right pursuant to article 1331 of the Italian Civil Code to repurchase *pro soluto* (in whole but not in part) the Portfolio from the Issuer at the Final Repurchase Price in order to finance the early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean-up call*), provided that such option right may be exercised in respect of any Payment Date following the occurrence of a Clean-up Call Event, and shall be subject to the other conditions set forth in the Master Receivables Purchase Agreement. For further details, see the section headed "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*".

**Optional redemption for taxation reasons**

Provided that no Trigger Notice has been served on the Issuer, the Issuer may, on any Payment Date following the occurrence of a Tax Call Event, redeem the Rated Notes (in whole but not in part) and the Unrated Notes (in whole or in part), at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Post-Acceleration Priority of Payments pursuant to Condition 8.5 (*Optional redemption for taxation reasons*), subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Representative of the Noteholders and to the Noteholders, with a copy to the Servicer and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes (the **Tax Redemption Notice**); and

(b) on or prior to the Tax Redemption Notice being given,

(i) providing a legal opinion from a primary international law firm in form and substance satisfactory for the Representative of the Noteholders or other evidence satisfactory to the Representative of the Noteholders that the occurrence of a Tax Call Event could not be avoided;

(ii) delivering to the Representative of the Noteholders, with copy to the Servicer, a certificate duly signed by a director of the Issuer confirming that it will have necessary funds (free and clear of any Security Interest of any third party) on such Payment Date (A) to redeem at least

the Rated Notes and pay any amount required to be paid under the Post-Acceleration Priority of Payments in priority thereto, and (B) to pay any additional taxes that will be payable by the Issuer by reason of such early redemption of the Notes.

For the purposes of Condition 8.5 (*Optional redemption for taxation reasons*), **Tax Call Event** means a change in tax law (or the application or official interpretation thereof), which becomes effective on or after the Issue Date and by reason of which:

(a) the assets of the Issuer in respect of the Securitisation (including the Receivables, the Collections and any other Issuer's Rights) becoming subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction;

(b) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes being required to apply any Tax Deduction or withhold any amount (other than in respect of a Decree 239 Deduction) in respect of the Notes, from any payment of principal or interest on or after such Payment Date for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following a change in law or the interpretation or administration thereof;

(c) any amounts of interest payable to the Issuer in respect of the loans being required to be deducted or withheld from the Issuer for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction.

Under the terms of the Master Receivables Purchase Agreement, the Originator has been given an option right pursuant to article 1331 of the Italian civil code to repurchase *pro soluto* (in whole but not in part) the Portfolio from the Issuer at the Final Repurchase Price in order to finance the early redemption of the Notes pursuant to

Condition 8.5 (*Optional redemption for taxation reasons*), provided that such option right may be exercised in respect of any Payment Date following the occurrence of a Tax Call Event and shall be subject to the other conditions set forth in the Master Receivables Purchase Agreement.

For further details, see the section headed "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*".

**Final Maturity Date**

Save as described above and unless previously redeemed in full and cancelled as provided in Condition 8 (*Redemption, purchase and cancellation*), the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date. To the extent not redeemed in full on the Final Maturity Date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest or principal in respect of the Notes, shall be finally and definitively cancelled on the Cancellation Date and the Notes shall be cancelled accordingly.

**Segregation by law**

The Issuer has no assets other than the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections as described in this Prospectus.

By operation of the Securitisation Law, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Creditors and any third-party creditor to whom the Issuer has incurred costs, fees, expenses or liabilities in relation to the Securitisation.

The Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents within 10 (ten) days from notification of such failure, to exercise all the Issuer's rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the

Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections. Italian law governs the delegation of such power.

**Trigger Events**

If any of the following events occurs:

(a) *Non-payment:*

The Issuer fails to pay in full (i) the amount of interest due in respect of the Most Senior Class of Notes then outstanding within 3 (three) days of the due date for payment of such interest, or (ii) the amount of principal due in respect of the Notes on the Final Maturity Date within 5 (five) days of such date, or (iii) the amount of principal due and payable on the Most Senior Class of Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for 5 (five) days;

(b) *Breach of other obligations of the Issuer*:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation under paragraph (a) above) and such default (i) is in the opinion of the Representative of the Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy, remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer, with a copy to the Servicer, requiring the same to be remedied;

(c) *Breach of representations and warranties by the Issuer*:

any of the representations and warranties given by the Issuer under any of the Transaction Documents is, or proves to have been, incorrect or erroneous in any material respect when made and (except where, in the opinion of the Representative of the Noteholders, it is not possible to remedy the same in which case no notice requiring remedy will be required) it has not been remedied within 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, with a copy to the Servicer, requiring the same to be remedied;

(d) *Insolvency of the Issuer*:

an Insolvency Event occurs with respect to the Issuer; or

(e) *Unlawfulness*:

it is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party or any material obligation of the Issuer under the Notes or a Transaction Document ceases to be legal, valid and binding,

then the Representative of the Noteholders may, at its sole discretion, or shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, serve a Trigger Notice on the Issuer, with a copy to the Servicer and the Calculation Agent, declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of interest and principal due in respect of the Notes shall be made in accordance with the Post-Acceleration Priority of Payments.

Following the service of a Trigger Notice, the Issuer may, or the Representative of the Noteholders may (or shall if so directed by an Extraordinary Resolution of the Noteholders) direct the Issuer to, dispose of the Portfolio in accordance with the Intercreditor Agreement. In case of such disposal, subject to conditions set forth in the Intercreditor Agreement, the Originator will have the right to purchase the Portfolio with preference to any third party potential purchaser. It is understood that no provisions shall require the automatic liquidation of the Portfolio.

For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Non petition**

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

(a) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(b) until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any notes issued under any

further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all further securitisation transactions carried out by the Issuer, if any, have been so directed by appropriate resolutions of their respective noteholders under the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, other than in the circumstances expressly referred to in the Rules of the Organisation of the Noteholders; and

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

**Limited recourse obligations of Issuer**

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

(a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (i) the aggregate amount of all sums due and payable to such Noteholder; and (ii) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to such sums and *pro rata* with any *pari passu* sums payable to such Noteholder; and

(c) on the Cancellation Date, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

**The Organisation of the Noteholders and the Representative of the Noteholders**

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and effect until repayment in full or cancellation of the Notes.

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the

Noteholders, as representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders which is appointed by the Subscriber pursuant to the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

**Estimated weighted average life of the Rated Notes**

The actual weighted average life of the Rated Notes cannot be predicted as the actual rate at which the Leases will be repaid and a number of other relevant factors are unknown. Calculations of the estimated weighted average life of the Rated Notes have been based on certain assumptions including, *inter alia*, the assumption that the Leases are subject to a constant prepayment rate assumption as shown in the section headed "*Estimated weighted average life of the Rated Notes and assumptions*".

**No assurance can be given that such assumptions will be accurate and, therefore, calculations as to the estimated weighted average life of the Rated Notes must be viewed with considerable caution.**

**Rating**

The Rated Notes are expected to be assigned the following ratings on the Issue Date:

| *Class* | *DBRS* | *Fitch* |
|---|---|---|
| Class A | "AA (sf)" | "AA- sf" |
| Class B | "A (high) (sf)" | "AA- sf" |
| Class C | "BBB (high)(sf)" | "A sf" |

The Class M Notes will not be assigned a credit rating.

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

With reference to the ratings specified above to be assigned by Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*), in accordance with Fitch's definitions available as at the date of this Prospectus on the website https://www.fitchratings.com/site/definitions:

(i) "AA-" means very high credit quality;

(ii) "A" means high credit quality.

With reference to the ratings specified above to be assigned by DBRS Ratings GmbH, in accordance with DBRS' definitions

available as at the date of this Prospectus on the website https://www.dbrs.com/understanding-ratings/#about-ratings:

(i) "AA" means debt obligations of superior credit quality;

(ii) "A (high)" means debt obligations of good credit quality;

(iii) "BBB (high)" means debt obligations of adequate credit quality.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (as defined below).

As of the date of this Prospectus, DBRS Ratings GmbH and Fitch Ratings Ireland Limited (*Sede Secondaria Italiana*) are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended from time to time (the **CRA Regulation**), as it appears from the most updated list published by European Securities and Markets Authority (ESMA) on the ESMA website (being, as at the date of this Prospectus, www.esma.europe.eu).

**Approval, listing and admission to trading**

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). **Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. By approving this Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with the provisions of article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019. Investors should make their own assessment as to the suitability of investing in the Notes.**

Application has been made for the Rated Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The Class M Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class M Notes on any stock exchange.

This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, www.bourse.lu).

**Selling restrictions**

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

In particular, the Notes have not been, and will not be, registered under the Securities Act or the "blue sky" laws of any state of the United States or other jurisdiction and the securities, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. The Notes are in dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S.

The Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Although the definition of "U.S. persons" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules. Each holder of Notes or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of such Notes or a beneficial interest therein, will be deemed and, in certain circumstances, will be required to represent to the Issuer, the Originator and the Arrangers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Notes or a beneficial interest therein for its own account and not with a view to distribute such Notes, and (3) is not acquiring such Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules).

For further details, see the section headed "*Subscription, Sale and Selling Restrictions*".

**Governing Law** — The Notes and any non-contractual obligation arising thereunder are governed by, and shall be construed in accordance with, Italian law.

**Jurisdiction** — The Notes and any non-contractual obligation arising thereunder are subject to the exclusive jurisdiction of the Court of Milan.

## 3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

**Issuer Available Funds** — The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of the Interest Available Funds and the Principal Available Funds.

**Interest Available Funds**

On each Calculation Date and in respect of the immediately following Payment Date, the Interest Available Funds are constituted by the aggregate, without duplication, of:

(a) all Income Collections standing to the credit of the Interest Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding any interest proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Income Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) all amounts received by the Issuer from any Eligible Investments in excess of the original principal amount invested in the relevant Eligible Investment during the Collection Period immediately preceding such Calculation Date;

(d) all amounts of interest accrued on and credited to the Collections Account, the Cash Reserve Account, the Interest Funds Account and the Principal Funds Account and relating to the Collection Period immediately preceding such Calculation Date;

(e) on any Calculation Date, up to (and including) the Calculation Date immediately preceding the Payment Date on which the Rated Notes will be redeemed in full or cancelled, to the extent of any Interest Shortfall, the lower of (i) that portion of the Cash Reserve which is equal to such Interest Shortfall and (ii) the Cash Reserve;

(f) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report);

(g) any amount received by the Issuer from any other Transaction Party during the immediately preceding

Collection Period and not already included in any of the items of the definition of Principal Available Funds or in any other item of this definition of Interest Available Funds;

(h) on the Payment Date on which the Notes will be redeemed in full or cancelled, any amount standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes; and

(i) all amounts to be paid on the immediately succeeding Payment Date pursuant to item (i) *First* of the Pre-Acceleration Principal Priority of Payments,

provided that, for so long as the Pre-Acceleration Interest Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments of interest on the Rated Notes and all the other amounts ranking in priority thereto pursuant to the Pre-Acceleration Interest Priority of Payments will be transferred into the Payments Account.

**Principal Available Funds**

On each Calculation Date and in respect of the immediately following Payment Date, the Principal Available Funds are constituted by the aggregate, without duplication, of:

(a) the Principal Collections standing to the credit of the Principal Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding any principal proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Principal Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) any amounts to be allocated under item (x) *Tenth* and (xi) *Eleventh* of the Pre-Acceleration Interest Priority of Payments out of the Interest Available Funds;

(d) any amounts paid into the Principal Funds Account on the immediately preceding Payment Date pursuant to item (ii) *Second* (B) of the Pre-Acceleration Principal Priority of Payments;

(e) on the Calculation Date immediately preceding the earlier of (i) the Final Maturity Date and (ii) the Payment Date on which there are sufficient funds to redeem the Rated Notes in full (or there would be sufficient funds if this item (e) of the definition of Principal Available Funds were to be applied), the amount standing to the credit of the Cash Reserve Account after first deducting any amounts in accordance with item (e) of the definition of the Interest Available Funds;

(f) all amounts received from the sale (if any) of the whole Portfolio in case of early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) or following the delivery of a Trigger Notice;

(g) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report),

provided that, for so long as the Pre-Acceleration Principal Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Principal Available Funds corresponding to the amounts necessary to make payments under item (i) *First* of the Pre-Acceleration Principal Priority of Payments will be transferred into the Payments Account.

**Pre-Acceleration Interest Priority of Payments**

Prior to the service of a Trigger Notice and prior to the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Interest Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the **Pre-Acceleration Interest Priority of Payments**) but, in each case,

only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *First*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Expenses due and payable by the Issuer in relation to the Securitisation (to the extent such Expenses have not been paid during the immediately preceding Interest Period out of the Expenses Account);

(ii) *Second*, to credit the Retention Amount to the Expenses Account;

(iii) *Third*, in or towards satisfaction of any and all outstanding fees, costs and expenses of, and all other amounts (including, for the avoidance of doubt, any indemnities) due and payable to, the Representative of the Noteholders;

(iv) *Fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Principal Paying Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Back-up Servicer (if appointed), the Corporate Administrator, the Account Bank and the Calculation Agent;

(v) *Fifth*, in or towards satisfaction of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Servicer pursuant to the terms of the Servicing Agreement;

(vi) *Sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class A Notes;

(vii) *Seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class B Notes;

(viii) *Eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class C Notes;

(ix) *Ninth,* for so long as there are Rated Notes outstanding, to credit to the Cash Reserve Account an amount necessary to bring the balance of such account up to (but not exceeding) the Target Cash Reserve Amount;

(x) *Tenth*, to allocate to the Principal Available Funds an amount equal to the Principal Shortfall as at the immediately preceding Calculation Date;

(xi) *Eleventh*, to allocate to the Principal Available Funds an amount equal to the amount (if any) paid under item (i) *First* of the Pre-Acceleration Principal Priority of Payments on any preceding Payment Date and not yet repaid pursuant to this item;

(xii) *Twelfth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class M Notes;

(xiii) *Thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers under the terms of the Subscription Agreement;

(xiv) *Fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid under other items of this Pre-Acceleration Interest Priority of Payments;

(xv) *Fifteenth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

From time to time, during each Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payments Agreement, be entitled to apply amounts standing to the credit of the Expenses Account to pay Expenses.

**Pre-Acceleration Principal Priority of Payments**

Prior to the service of a Trigger Notice and prior to the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Principal Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payment or provision in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**) but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *First*, to pay all the amounts due under items (i) *First* to (viii) *Eighth* (both included) of the Pre-Acceleration Interest Priority of Payments, to the extent not paid under

the Pre-Acceleration Interest Priority of Payments due to insufficiency of Interest Available Funds from items (a) to (h) (both included) of the definition of Interest Available Funds;

(ii) *Second*:

(A) during the Revolving Period:

I. *first*, in or towards payment of the Advance Purchase Price of an Additional Pool sold by the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Agreement; and

II. *second*, only following the occurrence of a Notes Pre-Amortisation Event on the immediately preceding Calculation Date, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes in an amount equal to the Pre-Amortisation Principal Payment Amount; and

(B) during the Revolving Period, to transfer any remaining amounts to the Principal Funds Account;

(iii) *Third*, during the Amortisation Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;

(iv) *Fourth*, during the Amortisation Period, upon repayment in full of the Class A Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;

(v) *Fifth*, during the Amortisation Period, upon repayment in full of the Class B Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;

(vi) *Sixth*, during the Amortisation Period, upon repayment in full of the Rated Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class M Notes until the Class M Notes are repaid in full;

(vii) *Seventh*, during the Amortisation Period, upon repayment in full of the Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers pursuant to the Subscription Agreement, to the extent not paid under item (xiii) *Thirteenth* of the Pre-Acceleration Interest Priority of Payments;

(viii) *Eighth*, during the Amortisation Period, upon repayment in full of the Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the Transaction Documents, to the extent not paid under item (xiv) *Fourteenth* of the Pre-Acceleration Interest Priority of Payments;

(ix) *Ninth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

**Post-Acceleration Priority of Payments**

Following the service of a Trigger Notice and in case of redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the **Post-Acceleration Priority of Payments**) but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *First*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Expenses due and payable by the Issuer in relation to the Securitisation (to the extent such Expenses have not been paid during the immediately preceding Interest Period out of the Expenses Account);

(ii) *Second*, to credit the Retention Amount to the Expenses Account;

(iii) *Third*, in or towards satisfaction of any and all outstanding fees, costs and expenses of, and all other amounts (including, for the avoidance of doubt, any indemnities) due and payable to, the Representative of the Noteholders;

(iv) *Fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities)

due and payable to the Principal Paying Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Back-up Servicer (if any), the Corporate Administrator, the Account Bank and the Calculation Agent;

(v) *Fifth*, in or towards satisfaction of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Servicer pursuant to the terms of the Servicing Agreement;

(vi) *Sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class A Notes;

(vii) *Seventh*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes, until the Class A Notes are repaid in full;

(viii) *Eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class B Notes;

(ix) *Ninth*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;

(x) *Tenth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class C Notes;

(xi) *Eleventh*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;

(xii) *Twelfth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class M Notes;

(xiii) *Thirteenth*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class M Notes until the Class M Notes are repaid in full;

(xiv) *Fourteenth*, in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers pursuant to the Subscription Agreement;

(xv) *Fifteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the

Transaction Documents, to the extent not already paid under other items of this Post-Acceleration Priority of Payments;

(xvi) *Sixteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts due and payable to the Originator pursuant to the Master Receivables Purchase Agreement and/or the Warranty and Indemnity Agreement;

(xvii) *Seventeenth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

From time to time, during each Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payments Agreement, be entitled to apply amounts standing to the credit of the Expenses Account to pay Expenses.

## 4. TRANSFER OF THE PORTFOLIO

**The Portfolio**

The principal source of payment of interest on the Notes, as well as repayment of principal on the Notes, will be collections and recoveries made in respect of an initial pool and additional pools of monetary receivables and other connected rights arising from auto financial leases (*leasing finanziari*) granted by FCAB (respectively, the **Initial Pool** and the **Additional Pools** and, together, the **Portfolio**). The Initial Pool and the Additional Pools are required to meet the Eligibility Criteria and the Cumulative Portfolio Limits set out in the Master Receivables Purchase Agreement.

On 27 October 2020, the Originator sold the Initial Pool to the Issuer pursuant to the Master Receivables Purchase Agreement, without recourse (*pro soluto*) in accordance with articles 1 and 4 of the Securitisation Law and the provisions of the Factoring Law referred to under such articles, with economic effect as at the Initial Pool Transfer Effective Date and legal effect as at the relevant Completion Date. The Advance Purchase Price of the Initial Pool, equal to Euro 224,987,745.27, will be paid by the Issuer to the Originator on the Issue Date using the proceeds of the issue of the Notes. In addition, the Residual Optional Instalment Purchase Price of the Receivables comprised in the Initial Pool will be due by the Issuer to the Originator only if and to the extent the Issuer actually collects proceeds from the exercise by a Lessee of the option to purchase the relevant Car or from the sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease), as better described in the section headed "*Residual Optional Instalment*" below.

During the Revolving Period, the Originator may offer on a monthly basis to the Issuer, pursuant to the Master Receivables Purchase Agreement, Additional Pools and, provided that (i) the relevant offer meets the Cumulative Portfolio Limits contained in the Master Receivables Purchase Agreement, and (ii) none of the Purchase Termination Events has occurred, the Issuer will purchase, without recourse (*pro soluto*) in accordance with articles 1 and 4 of the Securitisation Law and the provisions of the Factoring Law referred to under such articles, such Additional Pools which will be transferred with economic effect as at the relevant Additional Pool Transfer Effective Date and legal effect as at the relevant Completion Date. The Advance Purchase Price of each Additional Pool will be paid by the Issuer to the Originator on the immediately following Payment Date using the Principal Available Funds applicable for such purpose in accordance with the Pre-Acceleration Principal Priority of Payments. In addition, the Residual Optional Instalment Purchase Price of the Receivables comprised in each Additional Pool will be due by the Issuer to the Originator on or prior to the Payment Date following the date on which the Issuer actually collects proceeds from the exercise by a Lessee of the option to purchase the relevant Car or from the sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease), only to the extent and within the limits of such proceeds, as better described in the section headed "*Residual Optional Instalment*" below.

In addition, on each Payment Date the Originator may receive, as Deferred Purchase Price, an amount equal to any Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

For further details, see also the sections headed "*The Portfolio*" and "*Description of the Transaction Documents - The Master Receivables Purchase Agreement*".

**Residual Optional Instalment**

The Residual Optional Instalment is the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Agreement (if the Lessee elects to exercise its option to purchase the related Car) the Receivables of which have been assigned under the terms of the Master Receivables Purchase Agreement.

The Residual Optional Instalment Purchase Price of the Receivables comprised each Pool will not be paid by the Issuer to the Originator on the Issue Date using the proceeds of the issuance of the Notes (with respect to the Initial Pool) nor on the Payment Date immediately following the relevant Completion Date using the Principal Available Funds (with respect to each Additional

Pool), but will be paid by the Issuer to the Originator on a deferred basis, only if and to the extent the Issuer actually collects proceeds from the exercise by a Lessee of the option to purchase the relevant Car or from the sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease).

The proceeds so collected will not form part of the Issuer Available Funds and will be retained by FCAB in accordance with the Servicing Agreement or, to the extent such proceeds pertaining to FCAB as Residual Optional Instalment Purchase Price have been transferred, in whole or in part, to the Issuer, FCAB shall be entitled to receive such amount on or prior to immediately following Payment Date outside the Priority of Payments.

Therefore, the assets backing the Notes will not comprise the Residual Optional Instalments and the cash-flows generated therefrom.

**Purchase Termination Events**

The occurrence of any of the following events will constitute a Purchase Termination Event:

(a) (i) (A) FCAB is in breach of its obligations or representations under the Transaction Documents and if, in the reasonable opinion of the Representative of the Noteholders, such breach is capable of remedy, such breach remains unremedied for 30 days subsequent to the Representative of the Noteholders having given written notice to the Issuer and to the Originator declaring that such breach is, in its reasonable opinion, materially prejudicial to the interests of the Noteholders; or (B) an Insolvency Event occurs in relation to FCAB or any third party Servicer; and (ii) the Representative of the Noteholders has given written notice of any of such events to the Issuer and to the Originator;

(b) the appointment of the Servicer is terminated by the Issuer giving written notice in accordance with the Servicing Agreement (other than in the event that it becomes unlawful for the Servicer to perform its activities under the Servicing Agreement);

(c) the Warranty and Indemnity Agreement or the Servicing Agreement has been terminated;

(d) the circumstance that, at any time, the Originator or the Issuer, as a consequence of the "*ius superveniens*" or for any other reason not depending from their will, may no longer lawfully fulfil their obligations arising from the Master Receivables Purchase Agreement, and the Issuer or

the Originator, as the case may be, has given written notice to the Originator or the Issuer, as the case may be, and to the Representative of the Noteholders;

(e) on any Monthly Report Date, the Gross Cumulative Default Ratio exceeds the relevant Gross Cumulative Default Threshold, as indicated in the relevant Monthly Report;

(f) on any Monthly Report Date, the Three-Month Rolling-Average Delinquency Rate exceeds the relevant Three-Month Rolling-Average Delinquency Rate Threshold, as indicated in the relevant Monthly Report;

(g) as indicated in the Payments Report related to the immediately preceding Payment Date, the Uncleared Principal Shortfall Limit has been reached;

(h) the Class A Notes are redeemed 3 (three) times during the Revolving Period pursuant to Condition 8.3 (*Notes Pre-Amortisation Event*), in each case following the occurrence of a Notes Pre-Amortisation Event;

(i) the delivery of a Trigger Notice; or

(j) the delivery of a Tax Redemption Notice.

Upon the occurrence of a Purchase Termination Event, the Revolving Period shall terminate and, as a consequence, no further Additional Pools may be transferred to the Issuer.

**Cumulative Portfolio Limits**

The Originator has represented that the Receivables comprised in the Initial Pool and in each Additional Pool met or will meet, as the case may be, as at the relevant Pool Transfer Effective Date, all of the below Cumulative Portfolio Limits as set out in schedule 2 of the Master Receivables Purchase Agreement:

(a) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into for the leasing of used Cars to exceed 7 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(b) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into for the purchase of Cars other than Jaguar and Land Rover brand Cars and FCA brand Cars to exceed 10 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(c) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into with the same Lessee to exceed 1.25 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(d) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the 10 (ten) Lessees having the highest exposure in terms of Outstanding Principal to exceed 4 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(e) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into with Lessees that are resident in the regions of Basilicata, Campania,

Calabria, Molise, Puglia, Sardegna and Sicilia to exceed 30 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(f) it does not cause, following the relevant transfer to the Issuer, the Weighted Average of the remaining maturity of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) to exceed 48 months;

(g) it does cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) whose Instalments, in the immediately preceding calendar month, are paid through SEPA Direct Debit to be at least equal to 95 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(h) it does not cause, following the relevant transfer to the Issuer, the Portfolio Weighted Average TAN (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) to be lower than 2.5 per cent.; and

(i) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into with Lessees other than physical persons (*persone fisiche*) to exceed 85 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments).

**Eligibility Criteria**

The Originator has represented that each of the Receivables comprised in the Initial Pool and in each Additional Pool met or will meet, as the case may be, as at the relevant Pool Transfer Effective Date, all of the below Eligibility Criteria as set out in schedule 1 of the Master Receivables Purchase Agreement:

(a) it is owed by a Lessee which, as at the time of entering into the relevant Lease Agreement, (i) is a physical person (*persona fisica*) resident in Italy and, as at the relevant Pool Transfer Effective Date, is not a FCAB employee, or (ii) is a company with its registered office in Italy;

(b) it is denominated in Euro;

(c) it has not been registered by the EDP FCAB System as a Delinquent Receivable or a Defaulted Receivable;

(d) at least 1 Instalment of the Lease Agreement has already been duly recorded by FCAB as paid by the relevant Lessee;

(e) it is payable, on the basis of the means of payment indicated by the Lessee in the relevant Lease Agreement, exclusively by way of SEPA Direct Debit or bank transfer;

(f) it is not owed by a Lessee whose balance on the relevant bank account held with FCAB is higher than Euro 100,000;

(g) it does not arises from a Lease Agreement having a maturity falling later than 84 months after the relevant Pool Transfer Effective Date;

(h) it does not have a TAN higher than 10 per cent.

**Servicing of the Portfolio**

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to collect the Receivables and administer and service the Portfolio on behalf of the Issuer in compliance with Securitisation Law.

The Servicer has undertaken to prepare and deliver on each Monthly Report Date, the Monthly Report, substantially in the form of the report set out in schedule 4 to the Servicing Agreement (as may be subsequently amended in order to include such further information as may be necessary in order for the Calculation Agent to prepare and deliver the SR Investor Report pursuant to the Cash Allocation, Management and Payments Agreement in compliance with point (e) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards).

In addition, the Servicer shall prepare the Lease Level Report setting out information relating to each Lease as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Lease Level Report (simultaneously with the SR Investor Report and the Significant Event and Inside Information Report delivered to the Reporting Entity by the Calculation Agent) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date.

The Servicer shall also provide the Calculation Agent with the information in its possession set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation which is necessary for the Calculation Agent to prepare the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively).

For further details, see the sections headed "*Description of the Transaction Documents - The Servicing Agreement*".

**Warranties and indemnities**

Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables and has agreed to indemnify the Issuer or repurchase the affected Receivables from the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Receivables.

For further details, see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*".

## 5. CREDIT STRUCTURE

**Cash Reserve**

On the Issue Date, the Issuer will establish a reserve fund in the Cash Reserve Account by applying part of the proceeds of the issue of the Class M Notes. An amount equal to the Target Cash Reserve Amount will be credited to the Cash Reserve Account on the Issue Date in accordance with the Cash Allocation, Management and Payments Agreement.

**Cash Reserve** means the monies standing to the credit of the Cash Reserve Account at any given time.

**Target Cash Reserve Amount** means € 3,150,000, provided that, on the Calculation Date immediately preceding the earlier of (i) the Payment Date following the service of a Trigger Notice, (ii) the Final Maturity Date or any other date on which the Rated Notes are redeemed in full, and (iii) the Cancellation Date, the Target Cash Reserve Amount will be reduced to 0 (zero).

On each Payment Date prior to the service of a Trigger Notice, up to (but excluding) the Payment Date on which the Rated Notes are redeemed in full or cancelled, subject to the availability of Interest Available Funds, the Cash Reserve will be replenished up to the Target Cash Reserve Amount out of the Interest Available Funds and in accordance with the Pre-Acceleration Interest Priority of Payments.

On each Payment Date, up to (and including) the Payment Date on which the Rated Notes are redeemed in full or cancelled, the Cash Reserve (or part of it) may be utilised, if necessary, to increase the Interest Available Funds to the extent necessary to cover any Interest Shortfall.

In addition, on the Payment Date on which the Rated Notes are redeemed in full or cancelled, any amount remaining in the Cash Reserve Account upon utilisation as Interest Available Funds will be applied as Principal Available Funds.

**Principal Shortfall**

Should the Calculation Agent determine, on any Calculation Date, that there is a Principal Shortfall, for so long as there are Rated Notes outstanding, the Interest Available Funds shall be applied on the immediately following Payment Date to make up any such Principal Shortfall as at such Calculation Date, in accordance with item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**Principal Shortfall** means, on any Calculation Date, the difference (if positive) between:

(a) the aggregate Outstanding Principal of all Receivables which have become Defaulted Receivables (excluding the

Residual Optional Instalments) from the relevant Pool Transfer Effective Date until the end of the immediately preceding Collection Period (each of such Outstanding Principal calculated, in relation to each Receivable, as at the end of the Collection Period in which such Receivable has become a Defaulted Receivable); and

(b) the sum of all Interest Available Funds allocated from the first Payment Date after the Issue Date to the Payment Date immediately preceding the relevant Calculation Date in accordance with item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**Subordination**

Payments of interest and repayment of principal under the Notes are subject to certain subordination and ranking provisions. For a more detailed description of the ranking among the various Classes of Notes and the relative subordination provisions see the section entitled "*The principal features of the Notes - Ranking and subordination*" and Condition 4.3 (*Ranking*).

See also the sections entitled "*Issuer Available Funds and Priority of Payments*", "*Risk Factors - Subordination*" and "*Terms and Conditions of the Notes*".

## 6. DESCRIPTION OF THE TRANSACTION DOCUMENTS

**Intercreditor Agreement**

Pursuant to Intercreditor Agreement, the Other Issuer Creditors have agreed to the limited recourse nature of the obligations of the Issuer and to the Priority of Payments described above. Furthermore, under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Trigger Notice and until the Notes have been redeemed in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and third party creditors in respect of fees, costs and expenses incurred in the context of the Securitisation, in accordance with the terms of the Priority of Payments.

In addition, each of the Issuer and the Originator has agreed that FCAB is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

For further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

**Cash Allocation, Management and Payments Agreement**

Under the terms of the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Servicer, the Back-up Servicer Facilitator and the Principal Paying Agent have agreed to provide the Issuer with certain services, including, *inter alia,* calculation, notification, cash management and reporting services together with account handling services in relation to moneys and securities from time to time standing to the credit of the Payments Account, the Collections Account, the Principal Funds Account, the Interest Funds Account, the Expenses Account, the Securities Account (if any) and the Cash Reserve Account and with certain agency services.

The Calculation Agent has agreed to:

(a) prepare and deliver, on or prior to each Calculation Date, the Payments Report or the Post-Acceleration Report (as applicable) setting out the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date in accordance with the applicable Priority of Payments;

(b) prepare and deliver, on or prior to each Investor Report Date, the Investor Report setting out certain information with respect to the Portfolio and the Notes. Such report will be available for inspection on the website of the Calculation Agent (being, as at the date of this Prospectus, www.securitisation-services.com/it/);

(c) prepare the SR Investor Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1)) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the SR Investor Report (simultaneously with the Lease Level Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively), through the Securitisation Repository, to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date; and

(d) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository,

the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively).

On each Payment Date, the Principal Paying Agent shall apply amounts transferred to it out of the Payments Account in making payments to the Noteholders in accordance with the applicable Priority of Payments, as set out in the Payments Report or the Post-Acceleration Report (as applicable).

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

**Mandate Agreement**

Pursuant to the Mandate Agreement, the Representative of the Noteholders is empowered, subject to the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

For further details, see the section headed "*Description of the Transaction Documents - The Mandate Agreement*".

**Corporate Services Agreement**

Under the terms of the Corporate Services Agreement, the Corporate Servicer has agreed to provide certain administration and management services to the Issuer.

For further details, see the section headed "*Description of the Transaction Documents - The Corporate Services Agreement*".

**Corporate Administration Agreement**

Under the terms of the Corporate Administration Agreement, the Corporate Administrator has agreed to provide certain administration and management services to the Issuer.

For further details, see the section headed "*Description of the Transaction Documents - The Corporate Administration Agreement*".

**Stichting Corporate Services Agreement**

Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has undertaken to provide

certain management and administration services in relation to the Quotaholder.

For further details, see the section headed "*Description of the Transaction Documents - The Stichting Corporate Services Agreement*".

**Governing law of the Transaction Documents**

All the Transaction Documents and any non-contractual obligations arising out of them are governed by Italian law.

**Material net economic interest in the Securitisation**

The Originator will retain, on an ongoing basis, a material net economic interest of at least 5 per cent. in the Securitisation in accordance with option (a) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of 5 per cent. of the principal amount of each Class of Notes upon issue.

Pursuant to the Subscription Agreement, the Originator has undertaken that it will:

(a) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards;

(b) procure that any change to the manner in which such retained interest is held in accordance with paragraph (a) above will be notified to the Calculation Agent to be disclosed in the SR Investor Report; and

(c) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law, provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the EU Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation.

In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

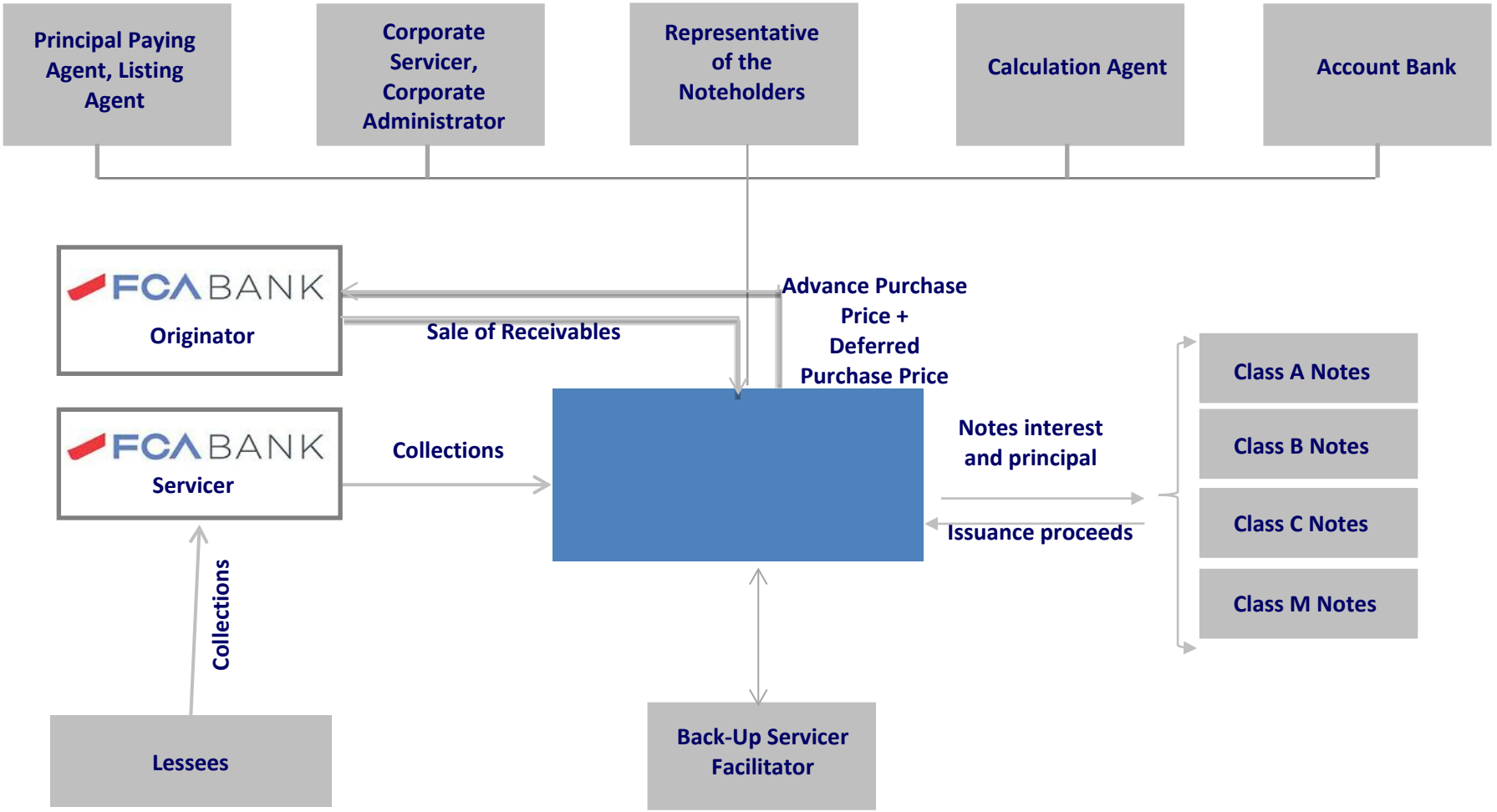
The Originator, as sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S.

transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the "ABS interests" (as defined in the U.S. Risk Retention Rules) are issued) of all classes of ABS interests issued in the securitisation transaction are sold or transferred to, or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

For further details see the sections entitled "*Subscription, Sale and Selling Restrictions*".

## STRUCTURE DIAGRAM

*The following structure diagram is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this structure diagram.*



# THE PORTFOLIO

## General

The Notes will be collateralised by the Receivables purchased and to be purchased by the Issuer in accordance with the terms of the Master Receivables Purchase Agreement and each relevant Purchase Agreement. The Noteholders will have rights over the pool of Receivables as a whole (subject to the Priority of Payments).

The monetary receivables and other connected rights arising from an initial pool of auto financial leases (*leasing finanziari*) granted by FCAB (the **Initial Receivables** and the **Initial Pool**) have been transferred from FCAB to the Issuer pursuant to the terms of a master receivables purchase agreement dated 27 October 2020 between the Issuer and FCAB (the **Master Receivables Purchase Agreement**). Pursuant to the Master Receivables Purchase Agreement, during the Revolving Period, the Originator may, subject to the satisfaction of the Cumulative Portfolio Limits, sell to the Issuer, on a monthly basis, additional pools of monetary receivables and other connected rights arising from additional portfolios of auto financial leases (*leasing finanziari*) granted by FCAB having substantially the same characteristics as the Initial Pool (the **Additional Receivables** and the **Additional Pools**; the Initial Receivables and the Additional Receivables, together, the **Receivables**; the Initial Pool and the Additional Pools, together, the **Portfolio**).

The arrangements entered into or to be entered into by the Issuer on or prior to the Issue Date, taken together with the structural features of the Securitisation (including the Portfolio and the proceeds expected to be received therefrom, the Cash Reserve, the Conditions and the rights and benefits set out in the Transaction Documents), have characteristics that demonstrate capacity to produce funds to service any payment which become due and payable in respect of the Notes in accordance with the Conditions. However, both the characteristics of the Portfolio and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Notes may be exposed should be regarded. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Prospectus, including without limitation under the section headed "*Risk Factors*" above.

The Originator has represented that the Receivables comprised in the Initial Pool met, and the Receivables to be comprised in each Additional Pool will meet, (a) the Eligibility Criteria listed under schedule 1 of the Master Receivables Purchase Agreement, and (b) the Cumulative Portfolio Limits listed under schedule 2 of the Master Receivables Purchase Agreement, as at the relevant Pool Transfer Effective Date, as set out below:

## Characteristics of the Portfolio

*Eligibility Criteria*

The Originator has represented that each of the Receivables comprised in the Initial Pool and in each Additional Pool met or will meet, as the case may be, as at the relevant Pool Transfer Effective Date, all of the below Eligibility Criteria as set out in schedule 1 of the Master Receivables Purchase Agreement:

(a) it is owed by a Lessee which, as at the time of entering into the relevant Lease Agreement, (i) is a physical person (*persona fisica*) resident in Italy and, as at the relevant Pool Transfer Effective Date, is not a FCAB employee, or (ii) is a company with its registered office in Italy;

(b) it is denominated in Euro;

(c) it has not been registered by the EDP FCAB System as a Delinquent Receivable or a Defaulted Receivable;

(d) at least 1 Instalment of the Lease Agreement has already been duly recorded by FCAB as paid by the relevant Lessee;

(e) it is payable, on the basis of the means of payment indicated by the Lessee in the relevant Lease Agreement, exclusively by way of SEPA Direct Debit or bank transfer;

(f) it is not owed by a Lessee whose balance on the relevant bank account held with FCAB is higher than Euro 100,000;

(g) it does not arises from a Lease Agreement having a maturity falling later than 84 months after the relevant Pool Transfer Effective Date;

(h) it does not have a TAN higher than 10 per cent..

*Cumulative Portfolio Limits*

The Originator has represented that each of the Receivables comprised in a Pool met or will meet, as the case may be, as at the relevant Pool Transfer Effective Date, all of the below Cumulative Portfolio Limits as set out in schedule 2 of the Master Receivables Purchase Agreement:

(a) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into for the leasing of used Cars to exceed 7 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(b) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into for the purchase of Cars other than Jaguar and Land Rover brand Cars and FCA brand Cars to exceed 10 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(c) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into with the same Lessee to exceed 1.25 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(d) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the 10 (ten) Lessees having the highest exposure in terms of Outstanding Principal to exceed 4 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(e) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements

entered into with Lessees that are resident in the regions of Basilicata, Campania, Calabria, Molise, Puglia, Sardegna and Sicilia to exceed 30 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(f) it does not cause, following the relevant transfer to the Issuer, the Weighted Average of the remaining maturity of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) to exceed 48 months;

(g) it does cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) whose Instalments, in the immediately preceding calendar month, are paid through SEPA Direct Debit to be at least equal to 95 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments);

(h) it does not cause, following the relevant transfer to the Issuer, the Portfolio Weighted Average TAN (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) to be lower than 2.5 per cent.; and

(i) it does not cause, following the relevant transfer to the Issuer, the aggregate Outstanding Principal of the Receivables (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments) related to the Lease Agreements entered into with Lessees other than physical persons (*persone fisiche*) to exceed 85 per cent. of the aggregate Outstanding Principal of all the Receivables sold to the Issuer according to the Master Receivables Purchase Agreement and still outstanding on such date (including, for the avoidance of doubt, the Receivables included in the Pool offered for sale to the Issuer but excluding the Residual Optional Instalments).

**The Initial Pool**

As at the Initial Pool Transfer Effective Date, the Initial Pool comprised 25,121 Leases granted to 22,574 lessees (the **Lessees**). The aggregate Instalment Principal Amounts of the Initial Receivables (other than the Instalment Principal Amounts of the Residual Optional Instalments) as at the Initial Pool Transfer Effective Date was € 224,987,745.27.

The aggregate Instalment Interest Amounts of the Initial Receivables (other than the Instalment Interest Amounts of the Residual Optional Instalments) as at the Initial Pool Transfer Effective Date was € 28,707,233.

The aggregate Residual Optional Instalment of the Initial Receivables as at the Initial Pool Transfer Effective Date was € 275,156,158.

The following tables set out statistical information representative of the characteristics of the Initial Pool as at the Initial Pool Transfer Effective Date. The tables are derived from information supplied by the Originator in connection with the acquisition of the Initial Receivables by the Issuer on the Initial Execution Date

The initial level of collateralisation (computed as the ratio between (i) the sum of (a) the aggregate Outstanding Principal of the Initial Pool (excluding the Residual Optional Instalments) as at Initial Pool Transfer Effective Date and (b) the cash amount credited to the Principal Funds Account on the Issue Date (as difference between

principal amount of the Notes excluding the Cash Reserve financed using part of the proceeds of the issue of the Class M Notes and the aggregate Outstanding Principal of the Initial Pool (excluding the Residual Optional Instalments)); and (ii) the principal amount of the Notes upon issue excluding the Cash Reserve) is equal to 100% per cent.

*Stratification tables*

The primary characteristics of the Initial Pool (excluding the Residual Optional Instalments) as of the Initial Pool Transfer Effective Date are as follows:

| | |
|---|---|
| **Number of Lease Agreements** | **25,121** |
| **Total Outstanding Principal (Euro)** | **224,987,745** |
| **Weighted Average Nominal Interest Rate (T.A.N.)** | **3.812%** |
| **Weighted Average Original Maturity (Months)** | **50.7** |
| **Weighted Average Remaining Maturity (Months)** | **30.3** |
| **Weighted Average Seasoning (Months)** | **20.4** |
| **Average Outstanding Principal (Euro)** | **8,956** |
| **Largest Lessee Concentration (Euro)** | **426,172** |
| **Largest Lessee Concentration (%)** | **0.189%** |
| **Weighted average original LTV (Net)** | **81.67%** |

## Distribution by New and Used Car Leases

| *New / Used* | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| New | 25,121 | 100.00% | 224,987,745.27 | 100.00% |
| Used | - | 0.00% | - | 0.00% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

## Distribution by Lessee Type

| *LesseeType* | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| Physical Person ("Persone Fisiche") | 9,983 | 39.74% | 80,122,905.42 | 35.61% |
| Legal Person ("Persone giuridiche") | 15,138 | 60.26% | 144,864,839.85 | 64.39% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

## Distribution by Payment Method

| *Payment Method* | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Direct Debit Leases | 25,045 | 99.70% | 224,609,044.48 | 99.83% |
| Transfer order Leases (OB) | 76 | 0.30% | 378,700.79 | 0.17% |
| Riba | - | 0.00% | - | 0.00% |
| ***Total*** | **25,121** | **100.00%** | **224.987.745,27** | **100.00%** |

## Distribution by Nominal Interest Rate (T.A.N.)

| *Interest Rate Band ** | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| 0% to 1% | 62 | 0.25% | 616,765.51 | 0.27% |
| 1% to 2% | 1,337 | 5.32% | 11,464,683.66 | 5.10% |
| 2% to 3% | 8,127 | 32.35% | 75,857,974.86 | 33.72% |
| 3% to 4% | 8,842 | 35.20% | 83,337,393.61 | 37.04% |
| 4% to 5% | 2,603 | 10.36% | 25,282,822.94 | 11.24% |
| 5% to 6% | 2,076 | 8.26% | 12,257,086.84 | 5.45% |
| 6% to 7% | 2,038 | 8.11% | 15,914,716.38 | 7.07% |
| 7% to 8% | 34 | 0.14% | 245,728.28 | 0.11% |
| 8% to 9% | 2 | 0.01% | 10,573.19 | 0.00% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

**Lower limit excluded and upper limit included*

## Distribution by Original Loan Maturity

***Numero rate originarie***

| *Original Maturity Band (Months) ** | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| 0 to 12 | 2 | 0.01% | 19,803.63 | 0.01% |
| 12 to 24 | 84 | 0.33% | 623,046.25 | 0.28% |
| 24 to 36 | 2,391 | 9.52% | 15,082,923 | 6.70% |
| 36 to 48 | 13,107 | 52.18% | 120,155,610 | 53.41% |
| 48 to 60 | 9,216 | 36.69% | 85,168,759 | 37.85% |

| | | | | |
|---|---|---|---|---|
| over 60 | 321 | 1.28% | 3,937,603 | 1.75% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100,00%** |

**Lower limit excluded and upper limit included*

## Distribution by Seasoning

| ***Seasoning Band (Months) **** | ***Number of Contracts*** | ***% by Total Number of Contracts*** | ***Outstanding Principal (Euro)*** | ***% by Outstanding Principal*** |
|---|---|---|---|---|
| 0 to 12 | 3,392 | 13.50% | 57,389,911.28 | 25.51% |
| 12 to 24 | 7,618 | 30.33% | 93,432,724.01 | 41.53% |
| 24 to 36 | 7,512 | 29.90% | 53,674,520.07 | 23.86% |
| 36 to 48 | 5,095 | 20.28% | 17,931,066.90 | 7.97% |
| 48 to 60 | 1,500 | 5.97% | 2,556,190.27 | 1.14% |
| over 60 | 4 | 0.02% | 3,332.74 | 0.00% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

**Lower limit excluded and upper limit included*

## Distribution by Remaining Loan Maturity

| ***Remaining Maturity Band (Months) **** | ***Number of Contracts*** | ***% by Total Number of Contracts*** | ***Outstanding Principal (Euro)*** | ***% by Outstanding Principal*** |
|---|---|---|---|---|
| 0 to 12 | 6,045 | 24.06% | 14,519,377.14 | 6.45% |
| 12 to 24 | 7,833 | 31.18% | 55,091,065.40 | 24.49% |
| 24 to 36 | 6,682 | 26.60% | 81,467,807.97 | 36.21% |
| 36 to 48 | 3,599 | 14.33% | 56,075,917.30 | 24.92% |
| 48 to 60 | 962 | 3.83% | 17,833,577.46 | 7.93% |
| over 60 | - | 0.00% | - | 0.00% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

**Lower limit excluded and upper limit included*

## Distribution by Geographic Area*

| *Geographic Area* | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| North | 13,017 | 51.82% | 125,084,157.21 | 55.60% |
| Centre | 6,585 | 26.21% | 54,342,051.86 | 24.15% |
| South | 5,519 | 21.97% | 45,561,536.20 | 20.25% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

## Regions

| | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| Abruzzo | 680 | 2.71% | 5,343,699.59 | 2.38% |
| Basilicata | 133 | 0.53% | 1,331,373.72 | 0.59% |
| Calabria | 350 | 1.39% | 2,829,201.33 | 1.26% |
| Campania | 2,315 | 9.22% | 19,312,884.39 | 8.58% |
| Emilia Romagna | 2,416 | 9.62% | 23,457,144.77 | 10.43% |
| Friuli Venezia Giulia | 459 | 1.83% | 4,185,657.60 | 1.86% |
| Lazio | 3,107 | 12.37% | 24,076,443.04 | 10.70% |
| Liguria | 459 | 1.83% | 3,831,216.08 | 1.70% |
| Lombardia | 4,890 | 19.47% | 47,556,607.55 | 21.14% |
| Marche | 501 | 1.99% | 4,396,187.94 | 1.95% |
| Molise | 114 | 0.45% | 861,184.61 | 0.38% |
| Piemonte | 1,631 | 6.49% | 15,546,171.83 | 6.91% |
| Puglia | 1,010 | 4.02% | 8,343,251.95 | 3.71% |
| Sardegna | 390 | 1.55% | 3,476,343.22 | 1.55% |
| Sicilia | 1,207 | 4.80% | 9,407,296.98 | 4.18% |
| Toscana | 1,811 | 7.21% | 16,711,356.95 | 7.43% |
| Trentino alto adige | 326 | 1.30% | 2,887,518.95 | 1.28% |
| Umbia | 486 | 1.93% | 3,814,364.34 | 1.70% |
| Val d'Aosta | 49 | 0.20% | 297,104.38 | 0.13% |
| Veneto | 2,787 | 11.09% | 27,322,736.05 | 12.14% |
| ***Total*** | **25,121** | **100.00%** | **224,987,745.27** | **100.00%** |

## Top 20 Geographic Concentrations by Province in Italy

| Province of Italy | Number of Contracts | % by Total Number of Contracts | Outstanding Principal (Euro) | % by Outstanding Principal |
|---|---|---|---|---|
| MI | 1,895 | 7.54% | 18,577,300.99 | 8.26% |
| RM | 2,385 | 9.49% | 18,120,231.41 | 8.05% |
| NA | 1,344 | 5.35% | 10,520,399.76 | 4.68% |
| TO | 880 | 3.50% | 8,382,774.26 | 3.73% |
| PD | 695 | 2.77% | 6,669,268.59 | 2.96% |
| BO | 598 | 2.38% | 5,725,419.00 | 2.54% |
| BS | 587 | 2.34% | 5,500,070.99 | 2.44% |
| VR | 572 | 2.28% | 5,457,852.66 | 2.43% |
| MB | 502 | 2.00% | 5,233,580.24 | 2.33% |
| TV | 481 | 1.91% | 4,873,484.21 | 2.17% |
| FI | 540 | 2.15% | 4,673,429.91 | 2.08% |
| VI | 448 | 1.78% | 4,609,456.76 | 2.05% |
| SA | 414 | 1.65% | 4,533,631.29 | 2.02% |
| MO | 410 | 1.63% | 4,434,987.06 | 1.97% |
| VE | 379 | 1.51% | 4,085,418.09 | 1.82% |
| VA | 409 | 1.63% | 3,856,572.51 | 1.71% |
| BG | 343 | 1.37% | 3,660,669.27 | 1.63% |
| RE | 310 | 1.23% | 3,049,946.30 | 1.36% |
| CO | 310 | 1.23% | 3,000,734.23 | 1.33% |
| CT | 354 | 1.41% | 2,928,866.89 | 1.30% |
| Total | 13,856 | 55.16% | 127,894,094.42 | 56.84% |

## Distribution by Top 20 Lessee

| Ranking | Number of Contracts | % by Total Number of Contracts | Outstanding Principal (Euro) | % by Outstanding Principal |
|---|---|---|---|---|
| 1 | 8 | 0.032% | 426,171.64 | 0.1894% |
| 2 | 64 | 0.255% | 340,265.96 | 0.15% |
| 3 | 4 | 0.016% | 332,908.70 | 0.15% |
| 4 | 19 | 0.076% | 310,382.56 | 0.14% |
| 5 | 1 | 0.004% | 268,973.66 | 0.12% |

| | | | | |
|---|---|---|---|---|
| 6 | 28 | 0.111% | 265,982.26 | 0.12% |
| 7 | 15 | 0.060% | 236,197.57 | 0.10% |
| 8 | 9 | 0.036% | 228,960.79 | 0.10% |
| 9 | 1 | 0.004% | 220,523.59 | 0.10% |
| 10 | 15 | 0.060% | 209,162.25 | 0.09% |
| 11 | 18 | 0.072% | 201,315.96 | 0.09% |
| 12 | 25 | 0.100% | 190,200.30 | 0.08% |
| 13 | 4 | 0.016% | 178,926.78 | 0.08% |
| 14 | 8 | 0.032% | 157,314.16 | 0.07% |
| 15 | 1 | 0.004% | 148,167.21 | 0.07% |
| 16 | 2 | 0.008% | 144,927.13 | 0.06% |
| 17 | 12 | 0.048% | 139,164.57 | 0.06% |
| 18 | 10 | 0.040% | 137,303.35 | 0.06% |
| 19 | 4 | 0.016% | 135,754.45 | 0.06% |
| 20 | 3 | 0.012% | 133,371.28 | 0.06% |
| Total | 164 | 0,65% | 4.405.974 | 1,96% |

## Distribution by Brand

| | *Number of Contracts* | *% by Total Number of Contracts* | *Outstanding Principal (Euro)* | *% by Outstanding Principal* |
|---|---|---|---|---|
| FCA | 16163 | 64.34% | 116,748,008 | 51.89% |
| FERRARI | 253 | 1.01% | 10,107,925 | 4.49% |
| JLR | 8668 | 34.50% | 97,697,695 | 43.42% |
| OTHERS | 37 | 0.15% | 434,117 | 0.19% |
| Total | 25,121 | 100.00% | 224,987,745 | 100.00% |

**North:**
- Lombardia
- Emilia Romagna
- Piemonte

- Veneto
- Liguria
- Friuli Venezia Giulia
- Trentino Alto Adige
- Valle d'Aosta

**Centre:**
- Lazio
- Toscana
- Marche
- Abruzzo
- Umbria

**South:**
- Sicilia
- Campania
- Puglia
- Sardegna
- Calabria
- Basilicata
- Molise

**Historical data**

**Delinquencies**

| | 2-4 Months Overdue | 5-8 Months Overdue | Gross Write-offs |
|---|---|---|---|
| Jun-14 | 0.97% | 0.48% | 0.11% |
| Jul-14 | 0.76% | 0.39% | 0.16% |
| Aug-14 | 0.92% | 0.44% | 0.13% |
| Sep-14 | 0.79% | 0.41% | 0.09% |
| Oct-14 | 0.88% | 0.41% | 0.15% |
| Nov-14 | 0.76% | 0.39% | 0.09% |
| Dec-14 | 0.59% | 0.33% | 0.07% |
| Jan-15 | 0.66% | 0.29% | 0.08% |
| Feb-15 | 0.74% | 0.25% | 0.03% |
| Mar-15 | 0.69% | 0.25% | 0.05% |
| Apr-15 | 0.69% | 0.24% | 0.07% |
| May-15 | 0.73% | 0.23% | 0.03% |
| Jun-15 | 0.59% | 0.26% | 0.03% |
| Jul-15 | 0.63% | 0.25% | 0.03% |
| Aug-15 | 0.59% | 0.26% | 0.05% |
| Sep-15 | 0.56% | 0.26% | 0.03% |
| Oct-15 | 0.64% | 0.25% | 0.05% |
| Nov-15 | 0.66% | 0.24% | 0.07% |
| Dec-15 | 0.72% | 0.21% | 0.04% |
| Jan-16 | 0.65% | 0.21% | 0.09% |
| Feb-16 | 0.58% | 0.16% | 0.09% |
| Mar-16 | 0.40% | 0.28% | 0.02% |
| Apr-16 | 0.46% | 0.26% | 0.04% |
| May-16 | 0.50% | 0.22% | 0.05% |
| Jun-16 | 0.47% | 0.24% | 0.03% |
| Jul-16 | 0.47% | 0.22% | 0.04% |
| Aug-16 | 0.57% | 0.25% | 0.02% |
| Sep-16 | 0.58% | 0.24% | 0.03% |
| Oct-16 | 0.54% | 0.24% | 0.04% |
| Nov-16 | 0.55% | 0.18% | 0.05% |
| Dec-16 | 0.59% | 0.21% | 0.01% |
| Jan-17 | 0.74% | 0.24% | 0.04% |
| Feb-17 | 0.71% | 0.24% | 0.04% |
| Mar-17 | 0.54% | 0.22% | 0.02% |
| Apr-17 | 0.63% | 0.18% | 0.05% |
| May-17 | 0.61% | 0.19% | 0.03% |
| Jun-17 | 0.55% | 0.21% | 0.06% |
| Jul-17 | 0.54% | 0.20% | 0.03% |
| Aug-17 | 0.58% | 0.21% | 0.03% |
| Sep-17 | 0.54% | 0.22% | 0.05% |
| Oct-17 | 0.57% | 0.25% | 0.03% |
| Nov-17 | 0.52% | 0.27% | 0.02% |
| Dec-17 | 0.55% | 0.23% | 0.05% |
| Jan-18 | 0.64% | 0.27% | 0.06% |
| Feb-18 | 0.64% | 0.23% | 0.05% |
| Mar-18 | 0.64% | 0.24% | 0.02% |
| Apr-18 | 0.66% | 0.28% | 0.03% |
| May-18 | 0.57% | 0.28% | 0.05% |

| | | | |
|---|---|---|---|
| Jun-18 | 0.60% | 0.25% | 0.04% |
| Jul-18 | 0.66% | 0.28% | 0.02% |
| Aug-18 | 0.80% | 0.30% | 0.03% |
| Sep-18 | 0.76% | 0.31% | 0.04% |
| Oct-18 | 0.91% | 0.27% | 0.06% |
| Nov-18 | 0.81% | 0.31% | 0.06% |
| Dec-18 | 0.80% | 0.37% | 0.02% |
| Jan-19 | 0.81% | 0.40% | 0.04% |
| Feb-19 | 0.73% | 0.38% | 0.07% |
| Mar-19 | 0.75% | 0.33% | 0.03% |
| Apr-19 | 0.74% | 0.36% | 0.02% |
| May-19 | 0.72% | 0.35% | 0.03% |
| Jun-19 | 0.70% | 0.34% | 0.03% |
| Jul-19 | 0.73% | 0.28% | 0.07% |
| Aug-19 | 0.79% | 0.31% | 0.02% |
| Sep-19 | 0.85% | 0.31% | 0.04% |
| Oct-19 | 0.78% | 0.28% | 0.04% |
| Nov-19 | 0.66% | 0.28% | 0.02% |
| Dec-19 | 0.74% | 0.25% | 0.03% |
| Jan-20 | 0.86% | 0.26% | 0.04% |
| Feb-20 | 0.87% | 0.25% | 0.03% |
| Mar-20 | 1.10% | 0.25% | 0.04% |
| Apr-20 | 1.64% | 0.29% | 0.04% |
| May-20 | 2.04% | 0.29% | 0.02% |
| Jun-20 | 1.30% | 0.29% | 0.04% |

## Gross write-off

**All Perimeter**

| Vintage | 0-6 Months | 7-12 Months | 13-18 Months | 19-24 Months | 25-30 Months | 31-36 months | 37-42 months | 43-48 Months | 49-54 months | 55-60 months | 61-66 months | 67-72 months |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2014-H2** | 0.00% | 0.11% | 0.22% | 0.39% | 0.65% | 0.86% | 1.03% | 1.17% | 1.26% | 1.27% | 1.30% | 1.32% |
| **2015-H1** | 0.00% | 0.14% | 0.24% | 0.49% | 0.64% | 0.95% | 1.10% | 1.21% | 1.33% | 1.44% | 1.46% | |
| **2015-H2** | 0.00% | 0.07% | 0.16% | 0.43% | 0.66% | 0.85% | 1.02% | 1.12% | 1.16% | 1.26% | | |
| **2016-H1** | 0.00% | 0.10% | 0.23% | 0.70% | 0.89% | 1.10% | 1.27% | 1.35% | 1.37% | | | |
| **2016-H2** | 0.01% | 0.06% | 0.23% | 0.45% | 0.70% | 0.86% | 1.07% | 1.11% | | | | |
| **2017-H1** | 0.00% | 0.12% | 0.36% | 0.66% | 0.78% | 0.92% | 0.99% | | | | | |
| **2017-H2** | 0.00% | 0.06% | 0.13% | 0.36% | 0.65% | 0.69% | | | | | | |
| **2018-H1** | 0.00% | 0.06% | 0.28% | 0.40% | 0.46% | | | | | | | |
| **2018-H2** | 0.00% | 0.04% | 0.11% | 0.20% | | | | | | | | |
| **2019-H1** | 0.00% | 0.03% | 0.03% | | | | | | | | | |
| **2019-H2** | 0.00% | 0.00% | | | | | | | | | | |
| **2020-H1** | 0.00% | | | | | | | | | | | |

## FCAB

### OVERVIEW

FCA Bank S.p.A. (**FCA Bank**), formerly named FGA Capital S.p.A., was incorporated in the Republic of Italy on 15 January 2002 with a limited duration to 31 December 2100, and is currently incorporated in the form of a joint-stock company (*società per azioni*) pursuant to the provisions of the Italian civil code and operating under the laws of the Republic of Italy. It is registered at the company registry in Turin, Italy under number 08349560014. Its registered office is at Corso G. Agnelli 200, 10135 Turin, Italy and its telephone number is +39 011 0034910. For the purposes of the Programme, FCA Bank is acting through its Irish branch. FCA Bank S.p.A., Irish branch was registered with the Irish Companies Registration Office under external company number 908579 on 9 December 2016.

FCA Bank is both the holding company of a group of companies composed of FCA Bank and its consolidated subsidiaries (the **FCA Bank Group**), which is one of the largest car finance and leasing groups in Europe, and the Italian operational arm of the FCA Bank Group. FCA Bank was granted a banking licence by the Bank of Italy in December 2014 and was enrolled in the register of banks and in the register of banking groups on 14 January 2015. Previously, it was enrolled in the register of financial intermediary held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act. As at 31 December 2019, FCA Bank's authorised share capital was €700,000,000 divided into 700,000,000 ordinary shares with a nominal value of €1 each. FCA Bank's shareholders are FCA Italy S.p.A. (formerly Fiat Group Automobiles S.p.A. and Fiat Auto S.p.A.) (**FCA Italy**), a wholly-owned subsidiary of Fiat Chrysler Automobiles N.V. (**FCA**) and Crédit Agricole Consumer Finance S.A. (**Crédit Agricole Consumer Finance**), a wholly-owned subsidiary of Crédit Agricole S.A. (**Crédit Agricole**, and together with its subsidiaries, **Crédit Agricole Group**) operating in the consumer credit sector. FCA Italy and Crédit Agricole Consumer Finance each hold 50 per cent. of FCA Bank's issued share capital pursuant to a joint venture agreement (the **JVA**).

### HISTORY AND DEVELOPMENT

The FCA Bank Group comprises subsidiaries that have been operating in the financing business for a number of years. FCA Italy has extended credit to its customers directly since the early part of the 1920s. Until the mid-1980s, the existing international retail and wholesale finance activities were carried out by Fiat Credit International and its European subsidiaries. In Italy, the financial services activities were carried out by various companies, headed by Fiat Sava S.p.A. Subsequently, and prior to 1996, the activities now conducted by the FCA Bank Group were part of Fidis S.p.A., which was a publicly-listed company. Fiat S.p.A. (**Fiat**) was its major shareholder with a 52 per cent. shareholding, while the remaining 48 per cent. of the shares was held by the public. In February 1996, Fiat launched a public tender offer for the publicly-held portion and subsequently de-listed Fidis S.p.A. In the same year, Fiat reorganised and transferred control of Fidis S.p.A. to Fiat Auto S.p.A. (currently FCA Italy S.p.A.), its car division.

In May 2003, Fidis Retail Italia S.p.A., currently FCA Bank S.p.A. (**FRI**), then a recently-incorporated corporation, was de-merged from FCA Italy, with a 51 per cent. stake transferred to Synesis Finanziaria S.p.A., a company owned by a pool of major Italian banks. FRI managed, through its subsidiaries, the retail financing activities of FCA Italy in Europe.

On 24 July 2006, a JVA between Fiat Auto S.p.A. (currently FCA Italy as defined above) and Sofinco S.A. (currently Crédit Agricole Consumer Finance as defined above) was announced. A stock purchase agreement was signed on 14 October 2006 and the transaction was approved by the European Antitrust Commission on 5 December 2006. On 28 December 2006, the JVA was executed and became effective, providing for a minimum term of eight years and the possibility of being indefinitely extended thereafter. On the same date:

- FCA Italy exercised a call option on the 51 per cent. stake of FRI formerly owned by Synesis Finanziaria S.p.A.;

- FRI's wholly-owned Italian subsidiary, Fiat SAVA S.p.A., was merged into FRI;
- FRI was included in the special register of financial intermediaries held by the Bank of Italy under Article 107 of the Consolidated Banking Act;
- FCA Italy's equity interests in companies operating in the dealer network financing and fleet rental sectors in Europe were brought together under FRI;
- FCA Italy financed a share capital increase in order to provide the Joint Venture with financial resources adequate for the increased portfolio and in line with the foreseen expansion of volumes; and
- FCA Italy sold to Sofinco S.A. 50 per cent. of the share capital of FRI.
- The name of FCA Bank was then changed the day after to Fiat Auto Financial Services S.p.A. and subsequently to Fiat Group Automobiles Financial Services S.p.A., when Fiat Auto S.p.A. changed its name to Fiat Group Automobiles S.p.A.

On 1 January 2009, FCA Bank changed its name to FGA Capital S.p.A and subsequently, on 14 January 2015, to FCA Bank S.p.A.

In July 2008, the FCA Bank Group signed a co-operation agreement with Jaguar and Land Rover, on the basis of which it has gradually been developing a comprehensive range of financial products (both retail financing and dealer network financing) for Jaguar and Land Rover dealers and customers in certain European countries, with a minimum term up to 31 January 2014 which was then extended up to 31 December 2017 for the mainland European countries. During 2017, negotiations were completed for the contractual renewal of the partnership with Jaguar Land Rover, resulting in the execution of a new co-operation agreement for a term of five years effective from 1 January 2018 that covers the financing of Jaguar Land Rover vehicles for franchised dealer networks in eight markets of the European continent, as well as a complete range of financing, leasing and insurance solutions for the clients.

Since October 2009 and in connection with the global alliance between Fiat and Chrysler Group LLC (**Chrysler** or the **Chrysler Group**), the FCA Bank Group has entered into an agreement to finance the Chrysler group retail financing and dealer network financing business in Europe.

Since December 2006, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance, as the original parties to the JVA, have entered into the JVA Amendments to, amongst other things, extend the duration of the JVA. For the purposes of good order, the parties executed the Restated JVA. The JVA is currently set to expire on 31 December 2022, and provides for the possibility of an automatic renewal up to December 2024 unless a termination notice is served by 30 June 2019. Following December 2024, renewal for additional three-year periods remains possible, unless an analogous termination notice is served by either party. The parties agreed to extend the term of the JVA in order to ensure the long-term sustainability of the FCA Bank Group, which will continue to benefit from the financial support of the Crédit Agricole Group.

The Restated JVA confirms the contractual agreements undertaken in the JVA Amendments and provides, inter alia, for the shares of FCA Bank to be subject to a lock-up period of five years. Such lock-up period, commencing on 1 January 2014 and ending on 31 December 2018, is in compliance with Article 2355-*bis*, first paragraph, of the Italian civil code. On 12 December 2013, FCA Bank filed an amended version of its by-laws reflecting the lock-up of its shares for the aforementioned period with the companies' register of Turin.

On 21 January 2014, Fiat announced the acquisition of the remaining equity interests in Chrysler Group LLC from VEBA Trust, following which the Chrysler group became a wholly-owned subsidiary of Fiat.

The FCA Group was formed as a result of the merger (the **Merger**) of Fiat into Fiat Investments N.V., a Dutch public limited liability company (*naamloze vennootschap*) established on 1 April 2014 for the purposes of carrying out the reorganisation of the Fiat Group. Fiat Investments N.V. was subsequently renamed Fiat Chrysler Automobiles N.V. on 12 October 2014, upon the completion of the Merger.

With effect from 15 December 2014, Fiat Group Automobiles S.p.A. changed its name to FCA Italy S.p.A.

Having obtained its banking licence in December 2014, on 14 January 2015, FCA Bank was enrolled in the register of banks and the register of banking groups with registration number 5764 and bank code 3445.

In 2015, FCA Bank became the financial services provider of EHG, offering a comprehensive range of services dedicated to the dealer network and customer financing of the German multinational group. The cooperation agreement between FCA Bank and EHG relates to the distribution network and to final customers of all EHG brands, and covers all FCA Bank's European countries where EHG sells motorhomes and caravans.

FCA Bank entered into a co-operation agreement with Ferrari S.p.A. (**Ferrari S.p.A.**) in 2015, under which FCA Bank offers a comprehensive range of services dedicated to the dealer network and customer financing of Ferrari S.p.A. except in markets covered by Ferrari Financial Services GmbH (**FFS GmbH**).

On 7 November 2016, FCA Bank acquired a majority interest in FFS GmbH, an indirect subsidiary of Ferrari N.V. (**Ferrari**), for €18.6 million, pursuant to an agreement entered into by the parties in 2016. Thus, FCA Bank laid the groundwork for significant business growth: the alliance with Ferrari for the provision of financial services in Europe. FFS GmbH's mission is to finance the end-customer business of Ferrari in Germany, Switzerland and United Kingdom.

The acquisition completed the alliance between FCA Bank and Ferrari. As early as 2015, an agreement had been signed whereby FCA Bank would provide financing both to Ferrari dealers in all the markets served by the FCA Bank and, at the retail level, to end buyers, except in markets covered by FFS GmbH. Now, FCA Bank provides Ferrari's customers with a full range of services.

The transaction confirms the strategy of growth and diversification of FCA Bank, which is allowing the bank to take different opportunities in the market so as to enhance its standing in the automotive and financial market.

On 25 May 2016, the board of directors of FCA Bank analysed and preliminarily approved a project involving the potential transformation of certain of its current subsidiaries into foreign branches of FCA Bank, including, amongst others, the transformation of FCA Capital Ireland p.l.c into an Irish branch of FCA Bank.

The project is aimed at simplifying the FCA Bank Group structure and, in certain jurisdictions, its implementation is on-going and remains subject to the obtaining of the relevant regulatory approvals.

As part of such project, the cross-border merger (the **Irish Merger**) of FCA Capital Ireland p.l.c. with and into FCA Bank was completed and became effective on 1 January 2017 (the **Effective Date**) following the obtaining of the required authorisations from the Bank of Italy and the European Central Bank as well as the execution of the deed of merger relating to the Irish Merger.

Pursuant to the Irish Merger, as of the Effective Date, FCA Capital Ireland p.l.c. ceased to exist as a legal entity and FCA Bank, under universal succession, succeeded to and assumed by operation of law all of the obligations, rights, interests, assets and liabilities of FCA Capital Ireland p.l.c. and, contemporaneously, all such obligations, rights, interests, assets and liabilities were allocated automatically to FCA Bank S.p.A., Irish branch.

Following the Irish Merger, as of the Effective Date, the business, activities and operations of FCA Capital Ireland p.l.c. are carried out by FCA Bank S.p.A., Irish branch.

On 28 August 2018, the authorisation process related to the Belgian branch of FCA Bank established in Auderghem (Belgium) (the **Belgian Branch**) was completed by the National Bank of Belgium after having received approval from the European Central Bank, and the Belgian Branch was included in the "list of the credit institutions governed by the law of another Member State of the European Economic Area with a registered branch in Belgium". The Belgian Branch was established in the broader context of a reorganisation of the FCA Bank Group's activities in Belgium. The Belgian Branch marks the establishment of FCA Bank's retail banking business in Belgium and Luxembourg.

As part of such project, the cross-border merger (the **Belgian Merger**) of FCA Capital Belgium S.A. (**FCA Belgium**) with and into FCA Bank was completed and became effective on 1 November 2018 (the **Effective Date**) following the obtainment of the required authorisations from the Bank of Italy and the European Central Bank as well as the execution of the deed of merger relating to the Belgian Merger.

Pursuant to the Belgian Merger, as of the Effective Date, FCA Belgium ceased to exist as a legal entity and FCA Bank, under universal succession, succeeded to and assumed by operation of law all of the obligations, rights, interests, assets and liabilities of FCA Belgium and, simultaneously, all such obligations, rights, interests, assets and liabilities were allocated automatically to the Belgian Branch.

During 2018, FCA Bank announced new partnerships with Aston Martin Lagonda, Morgan Motor Company, Harley-Davidson, MV Augusta and Dodge and Ram European importers. This move further exemplifies FCA Bank's success in providing captive finance and mobility service arrangements to strategic partners

On 18 July 2019, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance, entered into an Agreement (the Agreement) to, amongst other things, extend the duration of the JVA with respect to FCA Bank up to 31 December 2024 (the **End Date**) with effect from 19 July 2019, and with the possibility to automatically extend the JVA, unless a termination notice is served three years prior to the End Date.

On 19 December 2019, FCA-GROUP BANK POLSKA S.A. was merged by incorporation with and into FCA Bank. The merger, pursuant to Article 15 of Legislative Decree No. 108/2008, became effective from 1 January 2020 and FCA-GROUP BANK POLSKA S.A. ceased to exist as a legal entity; contemporaneously, all obligations, rights, interests, assets and liabilities were allocated automatically to FCA Bank S.p.A., Polish branch.

On 16 July 2020, FCA Bank announced the partnership with Lotus to offer attractive range of sports car finance packages. The agreement sees FCA Bank providing financial services and support for the Lotus European retail network. The contract initially covers 10 European markets, which are Austria, Belgium, France, Germany, Italy, Luxembourg, Netherlands, Spain, Switzerland and the UK. It will be phased in by market between July and September. Other countries will follow in due course.

In 2020 FCA Bank entered into a new partnership with Groupe Pilote, leader in camper van and caravan industry. The partnership involves several brands, including Pilote, Bavaria, Le Voyageur, Mooveo and Frankia and will allow FCA Bank to further penetrate the leisure vehicles financing market across Europe.

**GROUP STRUCTURE**

FCAB is an independent company, not subject to management and control by any company or entity.

The Board of directors is composed as at the date of this Prospectus of ten Directors, appointed by the Joint Venture partners:

| | |
|---|---|
| - S. Priami (Chairman) | - G.Carelli(CEO) |
| - V.Wanquet | - A. Faina |
| - R. Bouligny | - R. Palmer |

| | |
|---|---|
| - O. Guilhamon | - D. Mele |
| - A. Giorio | - P.De Vincentiis |

Of the ten directors, four are appointed from among candidates indicated by the shareholder **FCA Italy**, four are appointed from among candidates indicated by the shareholder Crédit Agricole Consumer Finance and two are independent Directors. The Chief Executive Officer (**CEO**) is appointed by the board of directors from the list of directors put forward by the shareholder FCA Italy and is responsible for the day-to-day management of the JV, within the limits of the powers delegated to him by the board of directors. The Chief Financial Officer (**CFO**) is appointed by the board of directors following designation by the shareholder Crédit Agricole Consumer Finance.

The FCAB Group has three main business lines:

- Retail financing and leasing;
- Dealer network financing; and
- Long-term rental activities.

The integration of these activities allows FCAB to provide the dealer networks with highly competitive and integrated financing products for its retail customers, fleet rental products for its corporate clients and products to meet each dealer's own financing needs (i.e. floorplan, working capital).

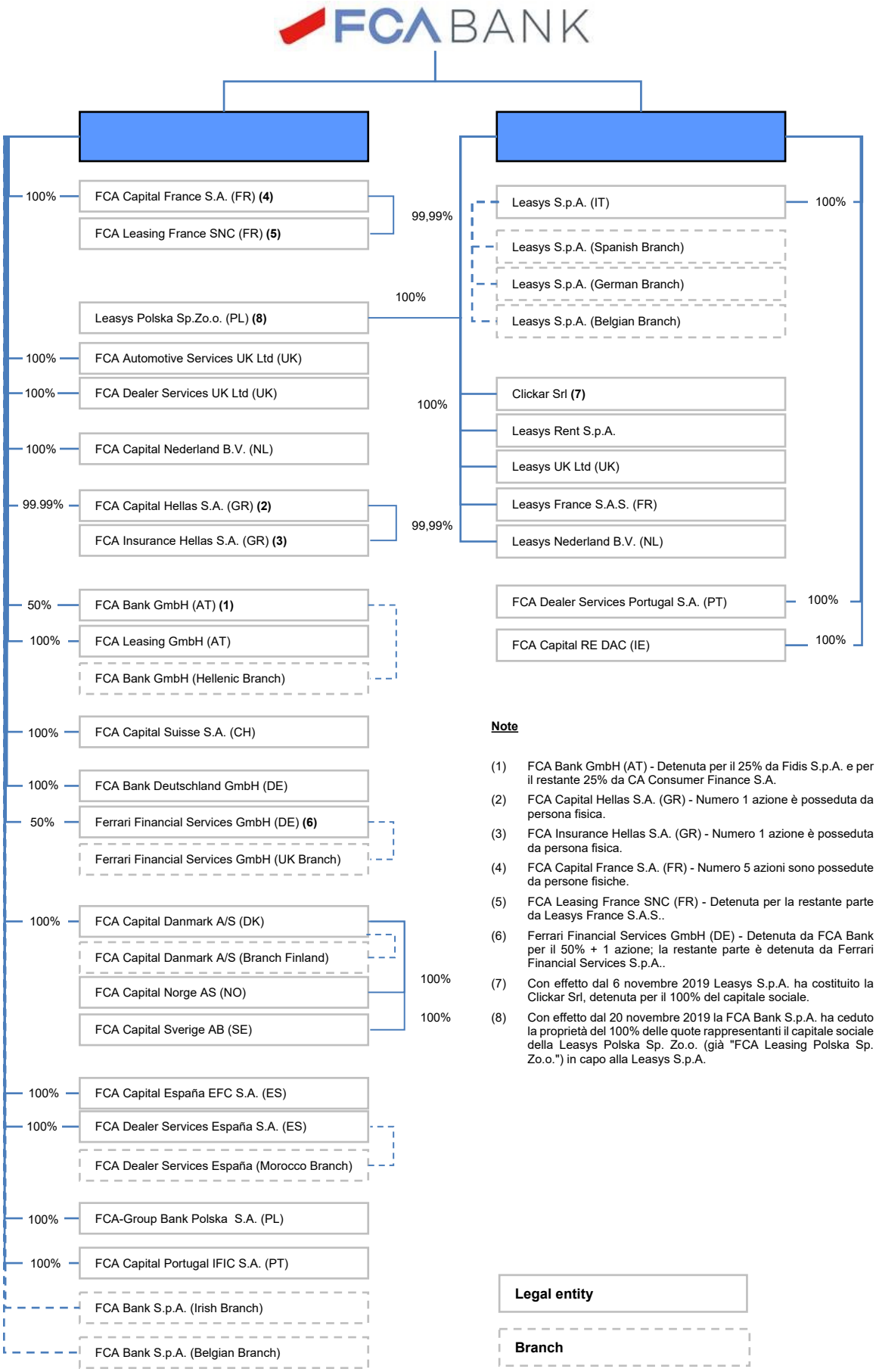
FCAB's business model is based on the concept of centralised planning and control and decentralised execution and operations. Control over key business areas is exercised centrally, most crucially in the case of credit risk and underwriting procedures, recovery and arrears procedures, and finance and treasury.

FCAB competes with the consumer finance arms of the major domestic banks in each of the countries in which it operates. The markets in which FCAB operates are highly fragmented, however, and FCAB considers that its integration of dealer network financing services and retail and corporate financing services gives it a competitive advantage.

The FCA Bank Group is the exclusive partner of the various brands with which it cooperates in case of financial promotional campaigns (i.e. vehicles sold with promotional interest rate financing, where the brand pays to the financing institution the difference between the promotional interest rate and the market rate).

**ORGANISATIONAL STRUCTURE**

The diagram below sets out the structure of the FCA Bank Group as at 31 December 2019.


FCA BANK
100%
FCA Capital France S.A. (FR) (4)
FCA Leasing France SNC (FR) (5)
99,99%
100%
Leasys Polska Sp.Zo.o. (PL) (8)
100%
FCA Automotive Services UK Ltd (UK)
100%
FCA Dealer Services UK Ltd (UK)
100%
FCA Capital Nederland B.V. (NL)
99.99%
FCA Capital Hellas S.A. (GR) (2)
FCA Insurance Hellas S.A. (GR) (3)
99,99%
50%
FCA Bank GmbH (AT) (1)
100%
FCA Leasing GmbH (AT)
FCA Bank GmbH (Hellenic Branch)
100%
FCA Capital Suisse S.A. (CH)
100%
FCA Bank Deutschland GmbH (DE)
50%
Ferrari Financial Services GmbH (DE) (6)
Ferrari Financial Services GmbH (UK Branch)
100%
FCA Capital Danmark A/S (DK)
FCA Capital Danmark A/S (Branch Finland)
100%
FCA Capital Norge AS (NO)
100%
FCA Capital Sverige AB (SE)
100%
FCA Capital España EFC S.A. (ES)
100%
FCA Dealer Services España S.A. (ES)
FCA Dealer Services España (Morocco Branch)
100%
FCA-Group Bank Polska S.A. (PL)
100%
FCA Capital Portugal IFIC S.A. (PT)
FCA Bank S.p.A. (Irish Branch)
FCA Bank S.p.A. (Belgian Branch)
Leasys S.p.A. (IT)
100%
Leasys S.p.A. (Spanish Branch)
Leasys S.p.A. (German Branch)
Leasys S.p.A. (Belgian Branch)
100%
Clickar Srl (7)
Leasys Rent S.p.A.
Leasys UK Ltd (UK)
Leasys France S.A.S. (FR)
Leasys Nederland B.V. (NL)
FCA Dealer Services Portugal S.A. (PT)
100%
FCA Capital RE DAC (IE)
100%
Note
(1) FCA Bank GmbH (AT) - Detenuta per il 25% da Fidis S.p.A. e per il restante 25% da CA Consumer Finance S.A.
(2) FCA Capital Hellas S.A. (GR) - Numero 1 azione è posseduta da persona fisica.
(3) FCA Insurance Hellas S.A. (GR) - Numero 1 azione è posseduta da persona fisica.
(4) FCA Capital France S.A. (FR) - Numero 5 azioni sono possedute da persone fisiche.
(5) FCA Leasing France SNC (FR) - Detenuta per la restante parte da Leasys France S.A.S..
(6) Ferrari Financial Services GmbH (DE) - Detenuta da FCA Bank per il 50% + 1 azione; la restante parte è detenuta da Ferrari Financial Services S.p.A..
(7) Con effetto dal 6 novembre 2019 Leasys S.p.A. ha costituito la Clickar Srl, detenuta per il 100% del capitale sociale.
(8) Con effetto dal 20 novembre 2019 la FCA Bank S.p.A. ha ceduto la proprietà del 100% delle quote rappresentanti il capitale sociale della Leasys Polska Sp. Zo.o. (già "FCA Leasing Polska Sp. Zo.o.") in capo alla Leasys S.p.A.
Legal entity
Branch

## ITALIAN RETAIL FINANCING AND LEASING BUSINESS

### Overview Financial Information

The non-consolidated summary balance sheet set out in the table below has been obtained from FCAB's audited financial statements for the years ending 31 December 2014, 2015, 2016, 2017, 2018 and 2019 respectively.

| € / 000 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **Total Assets (€ millions)** | **7,705,977** | **10,212,604** | **12,803,718** | **17,071,642** | **19,071,819** | **20,250,148** |
| Retail Loan Receivables | 3,209,883 | 4,308,123 | 5,313,697 | 5,967,360 | 6,432,848 | 6,815,843 |
| Lease Receivables | 209,690 | 348,935 | 517,833 | 717,064 | 913,530 | 1,021,083 |
| Dealer Financing receivables | 1,333,977 | 1,521,727 | 2,197,904 | 2,558,419 | 3,200,963 | 2,641,080 |
| Other Financing | 497,213 | 1,697,589 | 2,474,989 | 5,071,381 | 5,614,273 | 6,647,913 |
| Other Assets | 2,455,214 | 2,336,230 | 2,299,295 | 2,757,418 | 2,910,205 | 3,124,230 |
| **Total Liabilities (€ millions)** | **7,705,977** | **10,212,604** | **12,803,718** | **17,071,642** | **19,071,819** | **20,250,148** |
| Third party banks liabilities | 1,262,531 | 3,307,414 | 3,958,983 | 4,520,310 | 5,185,324 | 5,193,170 |
| ABS Notes liabilities | 1,271,408 | 722,471 | 631 | 8,690,771 | 8,624,053 | 8,840,993 |
| Other liabilities | 4,078,878 | 5,022,669 | 7,730,892 | 2,467,563 | 3,692,561 | 4,383,740 |
| Net Equity (including net income) | 1,093,160 | 1,160,050 | 1,113,212 | 1,392,998 | 1,569,881 | 1,832,245 |

Source: FCA Bank S.p.A.

## SECURITISATIONS

Securitisation transactions represent an alternative source of funding for the FCA Bank Group at competitive financing rates. The FCA Bank Group is currently managing 10 (ten) securitisation transactions. As at 31 December 2019, the FCA Bank Group had subscribed the total nominal amount of the junior notes, and some of the mezzanine and senior notes (in the latter case, also in connection with ECB open market transactions according to which a posting of collateral is required) issued under securitisation transactions originated within the FCA Bank Group, while the FCA Bank Group funding deriving from securitisations totalled 19 per cent. of the liabilities.

The FCA Bank Group services the securitised receivables and, in carrying out this role, acts in accordance with the same guidelines and procedures that it applies in relation to servicing its own loan portfolio.

## COMPLIANCE WITH EU SECURITISATION REGULATION

FCAB has applied and will apply, as the case may be, to the Leases the same sound and well-defined criteria for credit-granting in accordance with article 9(1) of the EU Securitisation Regulation which it applies to non-securitised leases. In particular, FCAB has:

(a) applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Leases; and

(b) effective systems in place to apply those criteria and processes in order to ensure that credit granting is based on a thorough assessment of the Lessee's creditworthiness taking appropriate account of factors relevant to verifying the prospect of each Lessee meeting his obligations under the relevant Lease.

***The information contained herein relates to FCA Bank S.p.A. 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 FCA Bank S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE CREDIT AND COLLECTION POLICIES

Pursuant to the Servicing Agreement the Issuer has appointed FCA Bank S.p.A as Servicer to carry out certain management, collections and recoveries activities and services in relation to the Receivables comprised in the Portfolio. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to administer the Portfolio and to perform its obligations in relation thereto in accordance with the Servicing Agreement, all applicable laws and regulations, the Credit and Collection Policies and any specific instructions that may be given to it by the Issuer from time to time (see the section headed "*Description of the Transaction Documents - The Servicing Agreement*").

Pursuant to the Servicing Agreement the Issuer has appointed FCA Bank S.p.A as Servicer to carry out certain management, collections and recoveries activities and services in relation to the Receivables comprised in the Portfolio. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to administer the Portfolio and to perform its obligations in relation there to in accordance with the Servicing Agreement, all applicable laws and regulations, the Credit and Collection Policies and any specific instructions that may be given to it by the Issuer from time to time (see section headed "*Description of the Transaction Documents - The Servicing Agreement*").

In this section, references to "Loans", "Loan Agreements", "Loan origination" or "Loan application" are to be construed as references to FCAB's origination and collection processes of all its financing products described herein, including, in particular and for the purpose of this Prospectus, the Lease Agreements and the Receivables deriving therefrom. In addition any reference to "Borrowers" shall be construed as a reference to the Lessees for the purpose of this Prospectus.

### Dealer Appointment and Management

The Receivables that are securitised under the Securitisation have been originated by FCAB's automotive financing business through Car Sellers authorised in Italy by FCA S.p.A., Jaguar Italia S.p.A., Land Rover Italia S.p.A. (collectively, the **Dealers**) or by FCA S.p.A. distribution outlets (the **FCA Outlets**) owned and controlled by FCA.

The performance of the Dealers in the loan origination function is monitored closely by FCAB. Each Dealer has been allocated a representative of FCAB who normally visits on a weekly basis.

Since 2000, FCAB has implemented a strategy of dealer segmentation in Italy in order to monitor and improve its incentive scheme more effectively. All Dealers are classified into separate groups according to their performance in procuring customers. FCAB encourages Dealers to improve their performance by granting pricing incentives to those who meet certain targets and reducing or terminating co-operation with underperforming Dealers.

### Loan Origination

Borrowers apply for Loans through a Dealer or through a FCA Outlet in order to finance the purchase price of a new or used car. Dealers and FCA Outlets are authorised to offer Loans to potential purchasers on behalf of FCAB subject to approval by FCAB of the relevant credit application.

Dealers and FCA Outlets use a loan application programme (called "FINWEB") to provide FCAB with the loan application details via an integrated ICT network. The Dealer or personnel at the FCA Outlet fill in the loan application form on screen and transmit the customer and the loan data to FCAB's central processing department electronically (data entry is made by the Dealers).

Identification documents (driving licence, ID cards or passport and fiscal code for individuals, documents produced by the chamber of commerce not older than 90 days for companies) and income documents are submitted by the Dealers to FCAB and are checked internally by FCAB personnel in charge of loan approval before approval to verify that data input by the Dealers was correct (where the application is automatically

approved by FCAB's IT system (see below), documentation checks are postponed after the application approval but, in any event, before the loan disbursement).

Once the application details (borrower and loan data) are input by the Dealers into 'FINWEB', the request is processed by an intelligent decisional tool (called Strategy One - or S1).

**S1:**

- Automatically starts searches and checks with several credit bureaux and databases on the potential customer and his/her guarantor and checks whether the application is compliant with internal credit policy rules;
- Transfers the application details to FCAB's internal credit scorecard to receive a credit risk assessment (Score) of the application;
- Transfers the application details to the FCAB internal anti-fraud scorecard to calculate a score highlighting the probability of fraud of the application;
- Based on the results of previous steps, the internal credit policy rules and the dealer segmentation risk matrix, returns three main results: request accepted, request refused or request to be reviewed (manual checks to be made/supplemental documentation to be collected by FCAB personnel) and defines the approval level of the loan application.

**Approval Process**

All credit applications are currently processed internally by FCAB. Depending on the size of the Loan applied for, one or more credit analysts assess the application. Higher value loan applications are referred to more experienced credit analysts.

In determining the level of authorisation required to approve a Loan application, the credit analyst will take into account the total amount of the Loan applied for (calculated on the basis of the initial principal amount plus all interest payable during the life of the Loan) together with all other credit facilities already extended to the same applicant. Internal controls are in place to prevent credit analysts from processing applications concerning connected persons or applications for which they have insufficient authorisation.

The table below shows the current authorisation limits for credit approval.

<table>
<tr><th rowspan="2">Delegation (esposure in €)</th><th colspan="2">Loan for New & Leasing</th><th colspan="2">Loan for used</th></tr>
<tr><th>ACO</th><th>BCO / NV / Società</th><th>ACO</th><th>BCO / NV / Società</th></tr>
<tr><td>0 – 10,000</td><td rowspan="5">AU (Only installment loan)</td><td rowspan="2">A</td><td rowspan="3">AU</td><td>A</td></tr>
<tr><td>10,001 – 15,000</td><td rowspan="4">B</td></tr>
<tr><td>15,001 – 20,000</td><td rowspan="3">B</td></tr>
<tr><td>20,001 – 26,000</td></tr>
<tr><td>26,001 – 32,000</td></tr>
</table>

| | | | |
|---|---|---|---|
| 32,001 – 42,000 | AU | C | C |
| 42,001 – 52,000 | C | | C |
| 52,001 – 103,000 | C+Z* | | C+Z* |
| 103,001 – 200,000 | C+D* | | C+D* |
| 200,001 – 500,000 | D+E* | | D+E* |
| 500,001 – 1,000,000 | E+G* | | E+G* |
| 1,000,001 – 1,500,000 | G+H* | | G+H* |
| 1,500,001 – 3,000,000<br>(**) Rating Crisp A-B-C | G+H* | | G+H* |

* Joint signature level
** Exposures exceeding 1.5 million Euro require the determination of Crisp rating (where applicable).

Four main criteria form the basis of the credit decision as to whether to accept or reject an application: (a) the credit score, (b) the credit bureau enquiries (c) the strategy decisional tool for credit rules application and (d) the review of the documentary evidence of the applicant Borrower's personal information.

**Credit Score**

FCAB has had a credit scoring system in place since 1988. The credit scoring takes into account several variables, such as occupation, marital status, type of accomodation, time in current employment, duration of the contract, amount of down payment, age of vehicle, information from credit bureaux, and others. The variables are statistical indicators of the probability of default of the customers, so the scoring system estimates the credit risk of the application.

FCAB portfolio is divided into business segments, based on:

- Product: Retail/Leasing
- Applicant: Individuals/Partnership Companies/Equity Companies
- Good: New/Used
- New Cars: Yearly nominal rate=0/Duration and Down Payment
- Used Cars until to February 2017: Vehicle age
- Used Cars since 16th February 2017: Vehicle age and contract duration<= Or >7 years
- Since September 2018 JLR portfolio for used and new cars is scored through Retail FCAB score card
- which turn into 8 acceptance scorecards based on:
- Financial variables
- Socio-demographic variables
- Variables related to the product to be purchased
- Credit Bureaux

The credit scoring system is developed and monitored by FCAB Head Quarter (quarterly monitoring of stability and performance).

The scoring system assigns a numerical score to each variable, resulting in a final numerical score for the loan application which corresponds to a probability of default. According to the score of the application, compared to the cut-off level, an application is automatically classified as follows:

(a) The approval area (above cut off – ACO – low risk) or

(b) The investigation area (ACM – medium risk) or

(c) The rejection area (below cut off – BCO – high risk)

Loan Applications in the "Rejection area" are: a) Rejected b) Should no negative evidence be found in any credit bureaux or credit rules, FCAB credit analysts competent for the approval may manually review the applications and, based on credit analysis, exceptionally override score results (within the override limits approved by FCAB Credit Committee at Head Quarter level ).

Applications in the "Investigation area" should be manually reviewed by FCAB credit analysts: a) If negative evidence is found in credit bureaux or credit rules, the loan applications are rejected b) Should no negative evidence be found in any credit bureaux or credit rules, the applications are accepted (subject to results of manual credit analysis).

Applications in the "Approval area" can be: (a) Automatically approved by the system, in case no negative evidence is found in any credit bureaux and the applications are compliant with FCAB internal credit rules, the customer is an individual and the loan amount is below certain levels (see approval levels) (b) In case of negative evidence from credit bureaux or in case applications are not totally compliant with FCAB internal credit rules, applications are manually processed by the FCAB credit analyst and may be accepted; (c) In case no negative evidence are found the application are compliant with FCAB internal credit rules, the customer is a company and the loans is above certain amounts, the loan application is subject to approval by FCAB personnel (see approval levels).

**Credit Bureaux**

As part of the credit approval process, FCAB obtains a credit reference in respect of the applicant from two credit reference bureaux,**CRIF and CTCPlus** (*Consorzio Tutela Credito*). The results of the credit bureau reference are also included as variables on the credit scoring system. The loan origination system has a direct link to CRIF and CTCPlus, the result of the enquiry is shown automatically on the application.

**Instruments used are described below:**

FCAB Database – customer's behaviour is checked on existing loans and previous loans granted to the customer by FCAB. The main parameters taken into account are: (a) arrears on current or past loans and (b) previous request from the same customer rejected in the past. Should the customer be flagged as "bad payer" by S1, this would result in an higher level of approval;

**CRIF** provide information on all credit facilities which an applicant has entered into, whether performing or delinquent, with a month-by-month payment history.

**CTCPlus** (*Consorzio di Tutela del Credito*) – CTC gives information on any credit facilities of the applicant which, throughout its life, exhibited more than three arrears, together with indications of the current status of the financing (cured subject to legal proceedings or written-off by the lender). Its database contains approximately one million debtors which have been in arrears on their credit facilities during the preceding years.

**Other Check List**

**SCIPAFI** is the fraud prevention public system that lets to check data contained in the main identity and income documents. The holder of the System is Ministry of Economy and Finance (MEF) managed by Consap SpA (Company owned by MEF). Since February 2016 , using CTCPlus, FCAB introduced the enquiry of Scipafi to check identity and income documents improving the fraud prevention check. The Automatic Approval is obtained only if, in addition to all credit rules «positive» also the Scipafi checks are positive.

**PEPs**: Automatic controls for Politically Exposed People and Anti-Terrorism have been introduced according to the regulations of the Bank Authority.

FCAB also searches the *Registro dei Protesti* for entries in the Borrower's name. This database records information concerning cheques and bills of exchange (*cambiali*) that are unpaid by Italian citizens and in respect of which a protest for non-payment is made.

FCAB's personnel in charge of the approval are required to manually review applications with negative evidence on credit bureaux or not compliant with FCAB's internal credit rules and acquire further information/documentation, so as to confirm or override (in limited circumstances) automatic rejection from S1. Applicants in respect of whom FCAB receives a negative reference from any of the credit bureaux or who are listed in the *Registro dei Protesti* are rejected.

**Documentary evidence**

A Loan application may not be analysed if the dealer doesn't confirm the signing of the data protection form and may not be approved by a credit analyst unless documentary evidence of income and a copy of the applicant Borrower's ID card has been received. The following documents must then be submitted subsequent to the approval of the Loan application:

original direct debit form duly completed (where appropriate);

confirmation that any guarantee documentation is duly executed;

duly executed Loan Agreement.

A fraud scorecard, based on 20 variables, has been developed internally by FCAB and is constantly monitored. The new model was developed in 1st half 2016, and it was implemented in the operational system in September 2016. It's applied on Employees and Self Employed customers (not on Companies).The application fraud score is automatically calculated by S1. FCAB's personnel is automatically informed by S1 in case the application shows a high risk of potential fraud. In this case, FCAB's personnel reviews documentation and makes supplemental controls/acquires further documentation to early detect and prevent fraud.

**Loan to Value Requirements**

FCAB normally lends an amount not higher than 100% . of the "ready-to-drive" price of the vehicle, which comprises the list price inclusive of any purchaser option less any discount granted to the customer. It is calculated inclusive of VAT and any "ready-to-drive" costs.

The target for an initial down payment is a function of the product type and the applicant's credit quality.

**Lending Policy**

The Lending Policy is approved by the board of directors of the Originator, according to the proposals of the Credit HQ department that is responsible for the general lending policies underlying the credit approval

process including the on-going reassessment of existing credit policies in light of changes in circumstances. The Credit HQ department also approve the introduction of new products as members of the NPA Committee.

The local credit Policy and any variation thereof (while remaining within the perimeter as determined by this document), proposed by the Market, is subject to authorisation by the Headquarter Internal Credit Committee.

The proposals of the Credit department are submitted to the approval of FCAB's board of directors.

**Credit Review**

As part of FCAB's commitment to quality control and on-going improvement, a credit review is carried out by the RPC department on quarterly basis, or, in case of different frequency, following the annual market control plan. The credit review consists of a review of a representative sample of the Loans focusing on the following:

- the correctness and completeness of the data entered by the Dealers and the personnel at the FCA Outlets;
- completeness of the supporting documentation submitted;
- compliance with underwriting controls and procedures in accordance with the Credit and Collection Policies; and
- an evaluation of the credit worthiness of the sampled Borrowers.

In addition, specific credit reviews are undertaken on samples selected on the basis of specific criteria to target parts of the portfolio identified by management.

The findings of credit reviews are reported to the head of "Credit Acceptance" and the managing director of FCAB. Where necessary (i.e. in the event of a lending team not attaining a minimum credit review score), this results in the implementation of a specific retraining programme.

**Loan origination and description of the products**

The FCAB Group offers itself as a preferred partner for the structuring, sale and management of financial products for customers for new and used automobiles and light commercial vehicles. The Group offers three types of financial services:

- **Hire Purchase or Retail loans (HP)** – these loans are aimed at private clients. They are generally fixed rate and are intended to finance the purchase of new or used vehicles with a variable number of pre-defined instalments payable over the contractual duration of the loan
- **Leasing** – the vehicle is made available to the client in return for a monthly payment. At the end of the pre-agreed period, typically 36 - 48 months, the vehicle is purchased by the client or the dealer at a pre-agreed price. In some cases, additional maintenance and assistance services are also provided
- **Personal Contract Purchase (PCP)** – also known in Italy as "Più" – a financing programme that aims to provide clients with a way to manage their mobility requirements. The finance is repaid in pre-defined instalments over a given period. This is followed by a larger, final repayment. When the final repayment falls due, the client is given the option of:
    - Concluding the loan by making the final repayment;
    - Refinancing the final repayment through a new loan;

- Ending the contract by returning the vehicle to the dealer in settlement of the final repayment.

The weight of new originations in 2019 of the three products on the total business is in line with the previous years, being around 82 per cent. for retail loans, 6 per cent. Leasing and 12 per cent. PCP.

**Collections**

Borrowers pay monthly instalments due under the relevant loan contracts. Payment dates are quite evenly spread throughout the month.

***Payment Methods***

The Loan Agreements provide that Borrowers may repay Loans by bank direct debit (**SEPA Direct Debit**).

Borrowers paying by direct debit (SEPA Direct Debit) made up 93 per cent. of the total portfolio as at 31 December 2019. FCAB promotes this payment option as the preferred payment method to all new borrowers and observes that 95 per cent. of all new borrowers financed in 2019 agreed to pay by direct debit (SEPA Direct Debit).

A very limited number of Borrowers pay instalments by way of bank cheques, bank transfers and other negotiable instruments notwithstanding their agreement to pay by bank direct debit (**SEPA Direct Debit**) even though this is not provided for in the Loan Agreements.

Only Borrowers paying via Sepa Direct Debit and bank transfer are eligible for securitization purposes.

***SEPA Direct Debit***

Borrowers paying by SEPA Direct Debit provide the Originator with their bank details in order to set up their payment instructions. Due to the time required to set up this process, the first Instalment due on a Loan in respect of which payments are to be made by SEPA Direct Debit may be paid through the postal system.

The Servicer normally sends a computerised payment order every seven days to each Borrower's bank through which SEPA Direct Debit payments are processed detailing the payments due from all the relevant Borrowers. These payment orders are normally sent out 30 days before the first relevant Instalment is due. Upon receipt of the payment order, the Borrowers' banks credit an account of the Servicer with the amount due in full, regardless of whether the Borrower has sufficient cleared funds in its account. This amount is paid with a value date equal to the value date of the Instalments payable during the period to which the payment order refers. Every Business Day, the Servicer uses funds received from the Borrowers' Banks to transfer the appropriate funds to the Issuer. The time between an Instalment being recorded as paid by the EDP FCAB System and the funds being transferred from the Servicer to the Issuer is expected normally to take one Business Day.

In the event that a Borrower does not have sufficient cleared funds in its account to make a SEPA Direct Debit payment, the relevant Borrower's bank informs the Servicer of the non-payment and simultaneously retrieves the previously transferred amounts from the Servicer. On average, it takes four Business Days for the Borrower's bank to inform the Servicer of non-payment. The Servicer sets-off these amounts from the payments due to the Issuer on the following day (see the paragraph headed "*Default in payment – Set-off*" in this section). When the Servicer is informed by a Borrower's bank of a non-payment, it records the relevant Instalment due as being delinquent, otherwise Instalments paid through SEPA Direct Debit is recorded as paid on their due date for payment. The total time taken for an Instalment from a Borrower to be recorded as delinquent normally until maximum of eight weeks for customer complaints.

***Bank cheques and other negotiable instruments***

Cheques and other negotiable instruments received by the Servicer are presented by the Servicer to one of the Banks on the local business day after receipt and are credited to one of the bank current accounts identified in schedule 7 of the Servicing Agreement (the **FCAB Banks Accounts**) subject to receipt of the underlying funds from the account of the Borrower (*salvo buon fine*). On the local business day the cheque or other negotiable instrument is credited to a FCAB Bank Account, the Servicer records the payment to the credit to the relevant Borrower's statement of account in the EDP FCAB System and from this date is deemed to have collected the relevant Collection for the purposes of the Servicing Agreement.

If the cheque or the other negotiable instrument is not honoured, the Servicer records the Instalment as Delinquent in the EDP FCAB System.

***Servicer accounts***

All moneys collected in respect of the Receivables in the Servicer's accounts used for SEPA Direct Debit collections and the FCAB Bank Accounts are co-mingled with other moneys belonging to the Servicer not related to the Portfolio and, although the Issuer is able to claim against the Servicer for payment of amounts owed to it, it has no proprietary interest in the moneys held in any such accounts.

***Default in payment – Set-off***

In the event that, following the date on which a payment made by a Borrower is recorded as having been made in the EDP FCAB System in accordance with the arrangements described above, it is established that the relevant Borrower did not in fact have the funds to make the relevant payment, the Issuer will not be required to repay amounts to FCAB. The Servicer will set-off the relevant amount against Collections subsequently received and recorded, whether or not from the same Borrower.

***Pre-payments***

A Borrower may generally pre-pay a Loan, in whole or in part at any time. Once identified, pre-payments are then registered against a Borrower in the EDP FCAB System. To the extent that a Borrower makes a prepayment of a Loan within a Pool which is not registered in the EDP FCAB System at the Pool Transfer Effective Date, such prepayment will be treated by the Servicer as a Collection belonging to the Issuer, even though the prepayment may have been paid to the Originator before the Pool Transfer Effective Date.

**Arrear Procedures**

FCAB's collection policy for Loans in arrears is set locally at business unit level by FCAB's Credit. Recovery activities are performed through internal resources and external partners.
FCAB believes that competition between collection teams combined with performance-related incentive and compensation schemes are important factors in maximising the collection and recovery rates for Loans in arrears. Therefore FCAB uses a number of competing external agencies for telephone debt-collection and a further team of external agencies which specialise in face-to-face debt-collection. Each Borrower is allocated to different agencies at different stages of the process, but for a strictly limited time period only, before they are passed on to the next step of the process. Since fees are calculated as a percentage of recovered amounts, the agencies need to collect quickly and efficiently in order to earn fees. The external agencies are monitored constantly and contracts are only renewed with the agencies with the strongest comparative performance. Performance also determines the volume of delinquent receivables from time to time allocated to the agencies.
The external agencies also compete with FCAB's internal debt-collection team which intervenes at certain stages of the process as described in more detail below.
The whole process is monitored and controlled with CACS (Computer Aided Collection System) which was developed by American Management Systems, Inc. All relevant data for all accounts classified as delinquent

are transferred from the main IT system to CACS on a daily basis. CACS processes and automatically allocates all delinquent accounts to the corresponding collection activities. The external agencies performance is monitored with a package realized by the Credit department of FCAB and data are transferred from FIN2000 legacy system with a weekly frequency.
The system recognises a payment as delinquent in different ways depending on the payment method chosen by the Borrower. For the Borrowers paying by bank direct debit, delinquency occurs as soon as notification of non-payment is received from the bank concerned (such notification is normally received no later than five to seven days from the due date).

As soon as a receivable is classified by the system as "delinquent", it is referred to one of five external telephone debt-collection agencies. On average, more than 80% of all outstanding delinquent receivables are collected at this point in the collection process; this figure does not comprise any voluntary and spontaneous payment (paid before and registered during the management) received by the customers during the collection period.
After 24 days the Borrower is referred to a specialised external debt-collection company which will send an agent to visit the Borrower. On average, more than 35% of the delinquent receivables reaching this stage are collected at this point in the debt-collection process.
If the external debt-collection company remains unsuccessful after 24 days, the internal telephone debt-collection team will make an attempt to collect from the Borrower. The extension of the management for more than 30 days is provided in the case where the borrower promises to pay for that period. The internal collection team can negotiate repayment plans (maximum repayment plans in 180 days). On average, more than 15% of the delinquent receivables which reach this stage are collected at this point in the
debt-collection process.
If the internal telephone debt - collection after 24+24 or after the repayment plans days remains unsuccessful, the Pre Legal recovery phase ends and the borrower will lose the possibility to pay his debt in instalments (DBT – Decadenza dal beneficio del termine); the recovery phase called "External Collection post DBT" will begin and the Borrower will be asked to pay the whole debt.
This phase is managed with internal structures (Collection Area Managers) and external partner (Home Collection Companies post DBT). The management of this specialised external debt collection companies takes 90 days.
The company sends formal notice for payment to the borrower and try to meet him at his home to obtain the payment of the debt.
An additional legal stage of 180 days is provided for the contracts scored as medium/high recoverability.
If the external Collection Companies after DBT remains unsuccessful, the collection process ends and a skilled internal Credit team (Litigations &NPL) will evaluate the positions either for sale, write-off or for legal collection.
In case of bankruptcy, untraceable established customers, the collection process ends when the event becomes known.

**Internal Policy**

As described in this section "*The Credit and Collection Policies*", FCAB has policies and procedures for the granting and disbursement of loans, for the management, collection and recovery of receivables and in relation to credit risk. The policies, practice and procedures of FCAB in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing of loans;

(b) systems to manage the ongoing administration and monitoring of its portfolio and exposures;

(c) adequate diversification of its credit portfolio based on the target market and overall credit strategy; and

internal policies and procedures in relation to risk mitigation techniques.

## THE ACCOUNTS

The following provisions describe the movements to and from each of the Accounts:

(a) the **Collections Account** with No. 802389100 and IBAN IT58V0347901600000802389100, as renumbered or re-designated from time to time,

**into which**:

(i) on the Issue Date, all the Collections received in relation to the Initial Pool from the Initial Pool Transfer Effective Date (included) to the Issue Date (excluded) will be credited;

(ii) all the Collections (including the Residual Optional Instalment) will be credited on a daily basis in accordance with the Servicing Agreement;

(iii) any amount received by the Issuer as Deferred Purchase Prices will be credited to the Originator on each Payment Date; and

(iv) any interest accrued on the Collections Account will be credited;

**out of which**:

(i) on the Issue Date, (A) the Principal Collections credited therein on such date will be transferred into the Principal Funds Account, and (B) the Income Collections credited therein on such date will be transferred into the Interest Funds Account;

(ii) on the first Business Day of each week, (A) all Principal Collections credited therein during the preceding week will be transferred into the Principal Funds Account (but excluding any principal proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease)), and (B) all Income Collections credited therein during the preceding week will be transferred into the Interest Funds Account (but excluding any interest proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(iii) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), the interest accrued and paid into the Collections Account will be transferred into the Payments Account; and

(iv) if a Purchase Agreement is terminated following the delivery of a notice from the Issuer to the Originator stating that a Purchase Termination Event has occurred pursuant to the Master Receivables Purchase Agreement, any Collection received by the Issuer in respect of the relevant Additional Pool from the relevant Completion Date (included) will be returned to the Originator outside the Priority of Payments;

(v) only if and to the extent the Issuer actually collects proceeds (i) from the exercise by a Lessee of the option to purchase the relevant Car, the Residual Optional Instalment Purchase Price will be paid by the Issuer to the Originator on the Payment Date immediately following the relevant date of collection, outside the Priority of Payments; (ii) from the sale or other disposal of the relevant Car in case of default of a Lessee, such proceeds (net of the amount up to the

Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease) will be returned to the Originator on the Payment Date immediately following the relevant date of collection, outside the Priority of Payments.

(b) the **Principal Funds Account** with No. 802389102 and IBAN IT 12X0347901600000802389102, as renumbered or re-designated from time to time,

**into which**:

(i) on the Issue Date, (A) an amount of Euro 62,254.73 will be credited out of the net proceeds of the issuance of the Notes, and (B) the Principal Collections credited to the Collections Account on such date will be transferred;

(ii) on the first Business Day of each week, all Principal Collections credited to the Collections Account during the preceding week will be transferred (but excluding any principal proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(iii) on each Eligible Investment Maturity Date, the principal proceeds resulting from the redemption, disposal, realisation or maturity of the relevant Eligible Investments made by applying the funds standing on the Principal Funds Account will be credited;

(iv) any proceeds deriving from the repurchase by the Originator of individual Receivables pursuant to the Master Receivables Purchase Agreement or the Warranty and Indemnity Agreement will be credited;

(v) any amount to be paid by the Originator as indemnity pursuant to the Warranty and Indemnity Agreement will be credited;

(vi) any amount to be paid by the Servicer as indemnity pursuant to the Servicing Agreement will be credited;

(vii) on each Payment Date during the Revolving Period, the amounts (if any) remaining following the purchase (if any) of an Additional Pool and/or, if a Notes Pre-Amortisation Event has occurred, following partial redemption of the Class A Notes, as specified in the relevant Payments Report, will be credited; and

(viii) any interest accrued on the Principal Funds Account will be credited;

**out of which**:

(i) upon order of the Servicer, the amounts standing to the credit thereof may be invested in Eligible Investments, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) the Principal Available Funds standing to the credit thereof will be transferred into the Payments Account 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity); and

(iii) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), the interest accrued and paid into the Principal Funds Account will be transferred into the Payments Account;

(c) the **Interest Funds Account** with No. 802389103 and IBAN IT86Y0347901600000802389103, as renumbered or re-designated from time to time,

**into which**:

(i) on the Issue Date, the Income Collections credited to the Collections Account on such date will be transferred;

(ii) on the first Business Day of each week, all Income Collections credited to the Collections Account during the preceding week will be transferred (but excluding any interest proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(iii) on each Eligible Investment Maturity Date, the principal proceeds resulting from the redemption, disposal, realisation or maturity of the relevant Eligible Investments made by applying the funds standing on the Interest Funds Account will be credited; and

(iv) any interest accrued on the Interest Funds Account will be credited;

**out of which**:

(i) on the Issue Date, by using Income Collections available at such date, an amount equal to the Initial Retention Amount will be transferred into the Expenses Account;

(ii) upon order of the Servicer, the amounts standing to the credit thereof may be invested in Eligible Investments, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(iii) the Interest Available Funds standing to the credit thereof will be transferred into the Payments Account 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity); and

(iv) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), the interest accrued and paid into the Interest Funds Account will be transferred into the Payments Account;

(d) the **Cash Reserve Account** with No. 802389105 and IBAN IT33A0347901600000802389105, as renumbered or re-designated from time to time,

**into which**:

(i) on the Issue Date, the Target Cash Reserve Amount will be credited out of the proceeds of the issue of the Class M Notes;

(ii) on each Eligible Investment Maturity Date, the principal proceeds resulting from the redemption, disposal, realisation or maturity of the relevant Eligible Investments made by applying the funds standing on the Cash Reserve Account, will be credited; and

(iii) on each Payment Date prior to the service of a Trigger Notice, up to (but excluding) the Payment Date on which the Rated Notes are redeemed in full or cancelled, the Interest Available Funds will be credited, in accordance with the Pre-Acceleration Interest Priority of

Payments, to bring the balance of the Cash Reserve up to (but not exceeding) the Target Cash Reserve Amount (if necessary);

(iv) any interest accrued on the Cash Reserve Account will be credited;

**out of which**:

(i) upon order of the Servicer, the amounts standing to the credit thereof may be invested in Eligible Investments, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) (A) 2 (two) Business Days prior to each Payment Date (or one Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), up to (and including) the Payment Date on which the Rated Notes are redeemed in full or cancelled, to the extent of any Interest Shortfall, the lower of (I) that portion of the Cash Reserve which is equal to such Interest Shortfall and (II) the Cash Reserve, will be transferred into the Payments Account, (B) 2 (two) Business Days prior to the Payment Date immediately following the delivery of a Trigger Notice or on which the Notes will be redeemed in accordance with Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) (or 1 (one) Business Day prior to such Payment Date so long as the Principal Paying Agent and the Account Bank are the same entity), the amount standing to the credit of the Cash Reserve Account at such date will be transferred into the Payments Account and will form part of the Issuer Available Funds; and (C) 2 (two) Business Days prior to the earlier of (i) the Final Maturity Date, and (ii) the Payment Date on which there are sufficient funds to redeem the Rated Notes in full (or there would be sufficient funds if this item (C) were to be applied) (or one Business Day prior to such Payment Date so long as the Principal Paying Agent and the Account Bank are the same entity), the amount standing to the credit of the Cash Reserve Account at such date will be transferred into the Payments Account and, net of the portion to be allocated to the Interest Available Funds (if any), will form part of the Principal Available Funds;

(iii) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), the interest accrued and paid into the Cash Reserve Account will be transferred into the Payments Account;

(e) the **Payments Account** with No. 802389101 and IBAN IT35W0347901600000802389101, as renumbered or re-designated from time to time,

**into which**:

(i) on each Eligible Investment Maturity Date, the principal proceeds resulting from the redemption, disposal, realisation or maturity of the relevant Eligible Investments made by applying the funds standing on the Payments Account will be credited;

(ii) not later than 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), the amount of any interest or other profit relating to or resulting from the redemption, disposal, realisation or maturity of any Eligible Investment made by investing the amounts standing to the credit of the Payments Account, the Principal Funds Account, the Interest Funds Account and the Cash Reserve Account will be credited;

(iii) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), (A) the Interest Available Funds and the Principal Available Funds standing to the credit of the Principal Funds Account

and the Interest Funds Account, respectively, will be credited, and (B) up to (and including) the Payment Date on which the Rated Notes are redeemed in full or cancelled, to the extent of any Interest Shortfall, the lower of (I) that portion of the Cash Reserve which is equal to such Interest Shortfall and (II) the Cash Reserve, will be transferred from the Cash Reserve Account;

(iv) 2 (two) Business Days prior to each Payment Date (or 1 (one) Business Day so long as the Principal Paying Agent and the Account Bank are the same entity), interest accrued and paid into the Collections Account, the Principal Funds Account, the Interest Funds Account and the Cash Reserve Account will be transferred;

(v) any proceeds deriving from the sale or the repurchase of all of the Receivables comprised in the Portfolio following the delivery of a Trigger Notice or in case of early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) will be credited;

(vi) (A) 2 (two) Business Days prior to the Payment Date immediately following the delivery of a Trigger Notice or on which the Notes will be redeemed in accordance with Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) (or 1 (one) Business Day prior to such Payment Date so long as the Principal Paying Agent and the Account Bank are the same entity), the amount standing to the credit of the Cash Reserve Account at such date will be transferred and will form part of the Issuer Available Funds; and (B) 2 (two) Business Days prior to the earlier of (i) the Final Maturity Date, and (ii) the Payment Date on which there are sufficient funds to redeem the Rated Notes in full (or there would be sufficient funds if this item (B) were to be applied) (or one Business Day prior to such Payment Date so long as the Principal Paying Agent and the Account Bank are the same entity), the amount standing to the credit of the Cash Reserve Account at such date will be transferred and, net of the portion to be allocated to the Interest Available Funds (if any), will form part of the Principal Available Funds;

(vii) on the Business Day immediately preceding the Payment Date on which the Notes will be redeemed in full or cancelled, any amount standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes, shall be transferred;

(viii) any other amounts received by the Issuer from any other Transaction Party (other than any other payment which is expressed to be made or credited to the other Accounts pursuant to the Transaction Documents) will be credited;

(ix) any interest accrued on the Payments Account will be credited.

**out of which**:

(i) upon order of the Servicer, the amounts standing to the credit thereof may be invested in Eligible Investments, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) on each Payment Date, (A) all payments of interest and principal on the Notes and any payments to the Other Issuer Creditors and any third party creditors of the Securitisation will be made in accordance with the applicable Priority of Payments and the Payments Report or the Post-Acceleration Report (provided that the amount specified in the Payments Report or the Post-Acceleration Report, as the case may be, as the amounts payable under the Notes will be transferred to the Principal Paying Agent 2 (two) Business Days prior to each Payment Date should the Principal Paying Agent and the Account Bank cease to be the same entity),

(B) up to (but excluding) the Payment Date on which the Rated Notes are redeemed in full or cancelled, the Interest Available Funds will be transferred into the Cash Reserve Account, in accordance with the Pre-Acceleration Interest Priority of Payments, to bring the balance of the Cash Reserve up to (but not exceeding) the Target Cash Reserve Amount, (C) during the Revolving Period, the amounts (if any) remaining following the purchase of an Additional Pool and the payment of any Pre-Amortisation Principal Payment Amount, as specified in the Payments Report, will be transferred into the Principal Funds Account, and (D) payments relating to the Expenses will be made, to the extent such amounts have not been paid during the immediately preceding Interest Period out of the Expenses Account;

(f) the **Securities Account**, as may be opened from time to time,

**into which**: all the Eligible Investments which comprise securities, bonds, debentures, notes or other financial instruments, purchased with the monies standing to the credit of the Payments Account, the Principal Funds Account, the Interest Funds Account and the Cash Reserve Account will be credited;

**out of which**:

on each Eligible Investment Maturity Date, the securities standing to the credit thereof will be liquidated and the principal proceeds resulting from the redemption, disposal, realisation or maturity of the relevant Eligible Investments will be transferred into the relevant Accounts from which the funds used to make such Eligible Investments were drawn, in accordance with the Cash Allocation, Management and Payments Agreement;

(g) the **Expenses Account** with No. 802389104 and IBAN IT63Z0347901600000802389104, as renumbered or re-designated from time to time,

**into which**:

(i) on the Issue Date, by using Income Collections available at such date, an amount equal to the Initial Retention Amount will be transferred from the Interest Funds Account;

(ii) on each Payment Date, subject to the applicable Priority of Payments, the Retention Amount (if necessary) will be credited;

(iii) any interest accrued on the Expenses Account will be credited.

**out of which**:

(i) on any Business Day during each Interest Period and at any time after the redemption in full or cancellation of the Notes, payments relating to the Expenses will be made;

(ii) on the Business Day immediately preceding the Payment Date on which the Notes will be redeemed in full or cancelled, any amount standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes, shall be transferred into the Payments Account;

(h) the **Quota Capital Account** with IBAN IT69I0103061622000001849704, as renumbered or re-designated from time to time,

**into which**: the Issuer's equity capital (equal to €10,000) has been deposited and will remain deposited for so long as all notes issued or to be issued by the Issuer (including the Notes) have been paid in full.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the **Conditions**).

The € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033 (the **Class A Notes** or the **Senior Notes**), the € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033 (the **Class B Notes**), the € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033 (the **Class C Notes** and, together with the Class B Notes, the **Mezzanine Notes** and, together with the Senior Notes, the **Rated Notes**) and the € 12,000,000 Class M Asset-Backed Fixed Rate Notes due November 2033 (the **Class M Notes** or the **Unrated Notes** and, together with the Rated Notes, the **Notes**) will be issued by Asset-Backed European Securitisation Transaction Eighteen S.r.l. (the **Issuer**) on 11 November 2020 (the **Issue Date**) in the context of a securitisation transaction (the **Securitisation**) to finance the purchase of an initial pool of monetary receivables and other connected rights arising from auto financial leases (*leasing finanziari*) (the **Initial Pool**) granted by FCA Bank S.p.A. (**FCAB** or the **Originator**) and transferred from FCAB to the Issuer pursuant to the terms of the Master Receivables Purchase Agreement. Pursuant to the Master Receivables Purchase Agreement, during the Revolving Period, the Originator may, from time to time, transfer without recourse (*pro soluto*) to the Issuer, and the Issuer will, from time to time, subject to the satisfaction of certain conditions set out in the Master Receivables Purchase Agreement, purchase without recourse (*pro soluto*) from FCAB, on a monthly basis, additional pools of monetary receivables and other connected rights (the **Additional Pools**, and together with the Initial Pool, the **Portfolio**) arising from auto financial leases (*leasing finanziari*) having substantially the same characteristics as the Initial Pool. The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy. The Issuer is registered in the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 35739.2, and in the companies register of Treviso-Belluno under number 05021340269. The principal source of payment of interest and payment of principal on the Notes will be collections and recoveries made in respect of the Receivables.

In these Conditions, references to the "holder" of a Class A Note, a Class B Note, a Class C Note and a Class M Note or to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class M Noteholders are to the ultimate owners of Class A Notes, Class B Notes, Class C Notes and Class M Notes, as the case may be, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. (**Monte Titoli**) in accordance with the provisions of: (a) article 83-bis of the Consolidated Financial Act; and (b) the regulation, regarding post-trading systems, issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) on 13 August 2018, as amended and/or supplemented from time to time (**Regulation 13 August 2018**). 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).

### 1. INTRODUCTION

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

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

#### 1.2 Provisions of Conditions subject to Transaction Documents

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

### 1.3 Copies of Transaction Documents available for inspection

Copies of the Transaction Documents are available for inspection by the Noteholders on the Securitisation Repository.

### 1.4 Description of Transaction Documents

(a) Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for the Notes and has appointed the Representative of the Noteholders to perform the activities described in the Subscription Agreement, the Conditions, the Rules and the other Transaction Documents to which it is a party.

(b) Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and certain other matters and has agreed to indemnify the Issuer or repurchase the affected Receivables from the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

(c) Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Portfolio on behalf of the Issuer. FCA Bank S.p.A. will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of article 2, sub-section 3, letter (c) and article 2, subsection 6-*bis*, of the Securitisation Law.

(d) Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

(e) Pursuant to the Corporate Administration Agreement, the Corporate Administrator has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

(f) Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Principal Paying Agent, the Account Bank, the Back-up Servicer Facilitator and the Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of interest and repayment of principal on the Notes.

(g) Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Portfolio and the Transaction Documents.

(h) Pursuant to the Mandate Agreement, the Representative of the Noteholders, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event and, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents is authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

(i) Pursuant to the Quotaholder Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

(j) Pursuant to the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has undertaken to provide certain management and administration services in relation to the Quotaholder.

(k) Pursuant to the Master Definitions Agreement, the definitions and interpretations of certain terms and expressions used in the Transaction Documents have been agreed by the Transaction Parties.

**1.5 Acknowledgement**

Each Noteholder acknowledges and agrees that the Arrangers, FCAB as initial Subscriber of all the Notes pursuant to the Subscription Agreement shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Banca Finint S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

## 2. DEFINITIONS AND INTERPRETATION

**2.1 Definitions**

In these Conditions the following defined terms have the meanings set out below:

**Account** means each of the Collections Account, the Payments Account, the Principal Funds Account, the Interest Funds Account, the Expenses Account, the Securities Account and the Cash Reserve Account and **Accounts** means, as the context may require, any two or more or all of them.

**Account Bank** means BNP Paribas Securities Services, Milan branch acting in its capacity as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any other person for the time being acting as such.

**Account Bank Report** means the report, substantially in the form set out in schedule 1 to the Cash Allocation, Management and Payments Agreement, produced by the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

**Additional Pool** means each Pool, other than the Initial Pool, which may be transferred by the Originator to the Issuer pursuant to a Purchase Agreement, in accordance with the terms of the Master Receivables Purchase Agreement.

**Additional Pool Transfer Effective Date** means, in relation to each Additional Pool, the economic effective date of the relevant transfer from FCAB to the Issuer, as indicated in the relevant Offer.

**Additional Receivables** means the Receivables in an Additional Pool as identified in the relevant Purchase Agreement.

**Advance Purchase Price** means, in respect of the Initial Pool and each Additional Pool, the purchase price payable by the Issuer to the Originator on the Issue Date and on each Payment Date following the relevant Completion Date respectively, being equal to the Instalment Principal Amounts of the Receivables (other than the Instalment Principal Amounts of the Residual Optional Instalments) comprised in each Pool and not yet due as at the relevant Pool Transfer Effective Date (excluded).

**Amortisation Period** means the period starting from (and including) the earlier of (i) the Payment Date falling in May 2021, and (ii) the occurrence of a Purchase Termination Event and ending on (and including) the earlier of (i) the Cancellation Date, and (ii) the Payment Date on which the Notes will be redeemed in full.

**Arrangers** means BNP Paribas, Crédit Agricole Corporate & Investment Bank, Milan branch, Natixis S.A., Milan branch and UniCredit Bank AG and each of them an **Arranger**.

**Back-up Servicer** means the person to be appointed by the Issuer upon the occurrence of the events specified in clause 6 of the Servicing Agreement.

**Back-up Servicer Facilitator** means Zenith Service, or any other person acting for the time being acting as Back-up Servicer Facilitator pursuant to the Cash Allocation, Management and Payments Agreement.

**Banca Finint** means Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A., a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

**BNP Paribas** means a company incorporated under the laws of the Republic of France as a *société anonyme*, whose registered office is at 16 boulevard des Italiens, 75009 Paris, France, registered with the Chamber of Commerce of Paris under No. 662 042 449 RCS.

**BNP Paribas Securities Services, Milan branch** means BNP Paribas Securities Services, Milan branch, a bank organised and incorporated under the laws of the Republic of France as a *société en commandite par actions*, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch with offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, fiscal code and enrolment in the companies' register of Milan number 13449250151, enrolled under number 5483 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

**Business Day** means a day (other than a Saturday or Sunday) which is not a bank holiday or a public holiday in Turin, Luxembourg, Paris and London and which is a TARGET Settlement Day.

**Calculation Agent** means Banca Finint, in its capacity as calculation agent pursuant to the Cash Allocation, Management and Payments Agreement, or any other person for the time being acting as such.

**Calculation Amount** means €1,000 of nominal amount of the Notes of each Class.

**Calculation Date** means the date falling 4 (four) Business Days before each Payment Date.

**Cancellation Date** means the earlier of (i) following the completion of any proceedings for the collection and/or recovery of all Receivables, the date on which such recoveries (if any) are paid in accordance with the applicable Priority of Payments, (ii) following the sale of the Portfolio, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Priority of Payments, and (iii) the Payment Date falling on the first anniversary of the Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Priority of Payments).

**Car** means any new or used car or new or used light commercial vehicle, as the case may be, leased under a Lease Agreement.

**Cash Allocation, Management and Payments Agreement** means the agreement so named dated on or about the Issue Date between, the Issuer, the Representative of the Noteholders, the Servicer, the Originator, the Account Bank, the Back-up Servicer Facilitator, the Corporate Servicer, the Calculation Agent and the Principal Paying Agent.

**Cash Reserve** means the monies standing to the credit of the Cash Reserve Account at any given time.

**Cash Reserve Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389105 and IBAN IBAN IT 33 A 03479 01600 000802389105), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Cash Reserve Account.

**Class** means a class of the Notes, being the Senior Notes, the Mezzanine Notes or the Class M Notes and **Classes** shall be construed accordingly.

**Class A Noteholder** means the holder of a Class A Note and **Class A Noteholders** means, as the context may require, the holders of some or all of the Class A Notes.

**Class A Notes** means € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033.

**Class B Noteholder** means the holder of a Class B Note and **Class B Noteholders** means, as the context may require, the holders of some or all of the Class B Notes.

**Class B Notes** means € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033.

**Class C Noteholder** means the holder of a Class C Note and **Class C Noteholders** means, as the context may require, the holders of some or all of the Class C Notes.

**Class C Notes** means € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033.

**Class M Noteholder** means the holder of a Class M Notes and **Class M Noteholders** means, as the context may require, the holders of some or all Class M Notes.

**Class M Notes** means € 12,000,000 Class M Asset-Backed Fixed Rate Notes due November 2033.

**Clean-up Call Event** means the circumstance that the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Portfolio is equal to or less than 10% of the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Initial Pool as at the Initial Pool Transfer Effective Date.

**Clearstream** means Clearstream Banking, *société anonyme*.

**Collateral Security** means any Guarantee or Security Interest granted by Lessees or Guarantors to the Originator in order to guarantee or secure the payment and/or repayment and/or performance of any of the Leases and/or the performance of the obligations of the relevant Lessees under the relevant Lease Agreements including the Guarantees.

**Collection Period** means, both prior and after the service of a Trigger Notice, each period commencing on (and including) a Monthly Report Date and ending on (but excluding) the immediately following Monthly Report Date up to the redemption in full or cancellation of the Notes, the first Collection Period commencing on (and including) the Initial Pool Transfer Effective Date and ending on (but excluding) the first Monthly Report Date.

**Collections** means all amounts in respect of the Receivables and the relevant Collateral Security received or recovered by the Issuer, the Servicer or by any other person delegated by the Servicer under the terms of the Servicing Agreement, and comprising Income Collections and Principal Collections as registered by the EDP FCAB System, on the Lessee's statement of account. Where not specified otherwise, the definition of Collections includes also the Recoveries.

**Collections Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389100 and IBAN IT 58 V 03479 01600 000802389100), as renumbered

or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Collections Account.

**Completion Date** means (i) with respect to the Initial Pool, 27 October 2020, and (ii) with respect to each Additional Pool, the date on which the Originator has received from the Issuer the acceptance of the relevant Offer, in accordance with the terms of the Master Receivables Purchase Agreement.

**Conditions** means these terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental hereto and any reference to a particular numbered Condition shall be construed accordingly.

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

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

**Consolidated Financial Act** means Italian Legislative Decree number 85 of 24 February 1998, as amended from time to time.

**COR** means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

**Corporate Administration Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Corporate Administrator pursuant to which the Corporate Administrator will provide certain administration services to the Issuer.

**Corporate Administrator** means Banca Finint, in its capacity as corporate administrator pursuant to the Corporate Administration Agreement or any other person for the time being acting as such.

**Corporate Servicer** means FCAB in its capacity as corporate servicer pursuant to the Corporate Services Agreement or any other person for the time being acting as such.

**Corporate Services Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Corporate Servicer pursuant to which the Corporate Servicer will provide certain administration services to the Issuer.

**CRA Regulation** means the Regulation (EC) No. 1060/2009, as amended from time to time.

**Credit and Collections Policies** means the procedures for the granting and disbursement of the Leases and for the management, collection and recovery of Receivables, attached as schedule 1 to the Servicing Agreement.

**Crédit Agricole Corporate & Investment Bank, Milan branch** means a bank and authorised credit institution incorporated under the laws of the Republic of France, registered with the Registre du Commerce et des Sociétés of Nanterre under number 304 187 701, whose registered office is at 12 place des Etats-Units - CS 70052 92547 Montrouge Cedex, France, acting through its Milan branch with offices at Piazza Cavour 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Consolidated Banking Act.

**DBRS** means (i) for the purpose of identifying the DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of the DBRS group or Morningstar Credit Ratings, LLC,

which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

**DBRS Equivalent Rating** means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

| **DBRS** | **Moody's** | **S&P** | **Fitch** |
|---|---|---|---|
| AAA | Aaa | AAA | AAA |
| AA(high) | Aa1 | AA+ | AA+ |
| AA | Aa2 | AA | AA |
| AA(low) | Aa3 | AA- | AA- |
| A(high) | A1 | A+ | A+ |
| A | A2 | A | A |
| A(low) | A3 | A- | A- |
| BBB(high) | Baa1 | BBB+ | BBB+ |
| BBB | Baa2 | BBB | BBB |
| BBB(low) | Baa3 | BBB- | BBB- |
| BB(high) | Ba1 | BB+ | BB+ |
| BB | Ba2 | BB | BB |
| BB(low) | Ba3 | BB- | BB- |
| B(high) | B1 | B+ | B+ |
| B | B2 | B | B |
| B(low) | B3 | B- | B- |
| CCC(high) | Caa1 | CCC+ | CCC+ |
| CCC | Caa2 | CCC | CCC |
| CCC(low) | Caa3 | CCC- | CCC- |
| CC | Ca | CC | CC |
| C | C | D | D |

**DBRS Minimum Rating** means: (a) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term

Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Decree 239** means Italian Legislative Decree number 239 of 1 April 1996, as amended from time to time.

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

**Defaulted Receivable** means each Receivable arising from a Lease Agreement:

(a) in relation to which an Instalment or any other payment due pursuant to the Lease Agreement which gives rise to such Receivable is due but not fully paid and remains unpaid for at least 240 (two hundred and forty) days following the date on which it should have been paid, under the terms of the relevant Lease Agreement;

(b) in relation to which the relevant Lessee is insolvent, or the Servicer has determined that such Receivable cannot be collected, or legal proceedings have been commenced for its collection; or

(c) written-off by the Servicer in accordance with the Credit and Collections Policies.

**Deferred Purchase Price** means any amount payable to the Originator pursuant to item (xv) *Fifteenth* of the Pre-Acceleration Interest Priority of Payments, item (ix) *Ninth* of the Pre-Acceleration Principal Priority of Payments or item (xvii) *Seventeenth* of the Post-Acceleration Priority of Payments, as the case may be.

**Delinquency Rate** means the ratio (expressed as a percentage), calculated at each Monthly Report Date, between:

(a) the Outstanding Principal of the Delinquent Receivables (excluding the Residual Optional Instalments) that have at least 2 (two) Instalments due and unpaid; and

(b) the Outstanding Principal of all Receivables other than the Defaulted Receivables (excluding the Residual Optional Instalments).

**Delinquent Receivable** means each Receivable, other than a Defaulted Receivable, in relation to which a Lessee has not paid at least one Instalment or any other amount due on the basis of the relevant Lease Agreement by the term contractually provided for therein and which has been recorded as such in the EDP FCAB System in compliance with the Credit and Collections Policies, and in any case by

no later than 21 (twenty-one) days after the Receivable's due date, and which continues to be classified as such.

**Determination Date** means:

(a) with respect to the Initial Interest Period, the day falling 2 (two) Business Days prior to the Issue Date; and

(b) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

**EDP FCAB System** means the information system used by FCAB to manage the Collections, as described in schedule 5 to the Servicing Agreement, as amended and/or replaced from time to time.

**Eligibility Criteria** means the criteria set out in schedule 1 to the Master Receivables Purchase Agreement that must be satisfied by each Receivable on an individual basis.

**Eligible Institution** means a depository institution organised under the laws of any state which is a member of the European Union or of the United States or the UK:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS the rating at least equal to "A" being:

(A) in case a public or private rating has been assigned by DBRS, the higher of (I) the rating one notch below the institution's COR (if assigned), and (II) the long-term senior unsecured debt rating or deposit rating; or

(B) in case a long-term COR has not been assigned by DBRS, the higher of the relevant institution's issue rating, long-term senior unsecured debt rating or deposit rating; or

(C) in case a public or private rating has not been assigned by DBRS, a DBRS Minimum Rating;

(ii) with respect to Fitch, a long-term public rating at least equal to "A" or a short-term public rating at least equal to "F1"; or

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

**Eligible Institution Guarantee** means a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America or the UK having at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee has been notified to the Rating Agencies.

**Eligible Investment Maturity Date** means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the day falling 4 (four) Business Days prior to each Payment Date.

**Eligible Investments** means:

(a) Euro denominated government bonds or other gilt-edged debt securities denominated in Euro having the following ratings:

(i) with respect to DBRS:

(x) if such investments have a maturity date equal to or lower than 30 (thirty) days: (1) a short-term public or private rating at least equal to "R-1 (high)" in respect of short term debt or a long-term public or private rating at least equal to "AAA" in respect of long-term debt, or (2) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "AAA" in respect of long-term debt; or

(y) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch, if such investments have a maturity date lower than 30 (thirty) calendar days, a short-term public rating at least equal to "F1+" or a long term public rating at least equal to "AAA",

provided that such investments (i) are in dematerialised form; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) in case of downgrading below the rating levels set out above, shall be liquidated within 30 (thirty) days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (iv) have a maturity date not exceeding the immediately following Eligible Investment Maturity Date; or

(b) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an Eligible Institution provided that such investments (i) are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling no later than the immediately following Eligible Investment Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) shall be transferred, within 30 (thirty) calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at no cost for the Issuer; and (iv) the deposits shall be in Euro; or

(c) Euro denominated money market funds which permit daily liquidation of investments and which are rated (i) "AAA" by DBRS or in the absence of a public or private rating by DBRS the DBRS Equivalent Rating of "AAA" and (ii) "AAA" by Fitch or in the absence of a rating by Fitch, the highest rating from at least two other global rating agencies, are redeemable to a principal amount at maturity equal to the principal amount originally invested, with a maturity date not exceeding the immediately following Eligible Investment Maturity Date,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities, or (iv) any other instrument from time to time specified in the European Central Bank monetary policy regulations as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested.

**Euro**, **€**, **euro** and **EUR** refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty.

**Euroclear** means Euroclear Bank S.A./N.V.

**Euro-Zone** means the region comprised of member states of the European Union which adopted the euro in accordance with the Treaty.

**Expenses** means:

(a) any documented fees, costs, expenses and taxes required to be paid to any third party creditors of the Issuer (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in, or in connection with, the preservation or enforcement of the Issuer's Rights.

**Expenses Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389104 and IBAN IT 63 Z 03479 01600 000802389104), as renumbered or redesignated from time to time, or such other account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Expenses Account for the payment of the Expenses.

**Extraordinary Resolution** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

**FCAB** means FCA Bank S.p.A.

**FCAB Bank Accounts** means the bank accounts used by FCAB in relation to the collection of any amounts relating to the Receivables, and the details of which shall be promptly notified by FCAB to the Issuer upon request of the latter.

**Final Maturity Date** means the Payment Date falling in November 2033.

**Final Repurchase Price** means an amount equal to:

(a) for the Receivables (other than the Defaulted Receivables and the Delinquent Receivables that have 2 (two) or more unpaid Instalments), the aggregate Outstanding Balance of such Receivables (excluding the Residual Optional Instalments) as at the date of repurchase; and

(b) for the Defaulted Receivables and the Delinquent Purchased Receivables that have 2 (two) or more unpaid Instalments, the IFRS 9 Value of such Delinquent Receivables and Defaulted Receivables (excluding the Residual Optional Instalments).

**Fitch** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (Sede secondaria Italiana), and (ii) in any other case, any entity of Fitch Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

**Gross Cumulative Default Ratio** means the ratio (expressed as a percentage), calculated by dividing on each Monthly Report Date during the Revolving Period (X) the sum of the principal amount of all the Receivables which have become Defaulted Receivables (excluding the Residual Optional Instalments) since the Issue Date by (Y) the sum of (A) the Outstanding Principal of the Initial Receivables (excluding the Residual Optional Instalments) as at the Initial Pool Transfer Effective

Date and (B) the aggregate of the Outstanding Principal of the Additional Receivables (excluding the Residual Optional Instalments) as at their respective Additional Pool Transfer Effective Date, other than any Additional Receivables purchased on or around the Payment Date immediately succeeding such Monthly Report Date.

**Gross Cumulative Default Threshold** means 1 per cent.

**Guarantee** means any surety or other personal guarantee given by a Guarantor to the Originator to guarantee the obligations of a Lessee to repay a Lease.

**Guarantor** means any person, other than the relevant Lessee, who has granted any Collateral Security to the Originator to secure the payment or repayment of any Lease.

**Holder** or **holder** in respect of a Note means the ultimate owner of such Note.

**IFRS 9 Value** means, with reference to any Defaulted Receivable or Delinquent Receivable that has 2 (two) or more unpaid Instalments, the value of such Defaulted Receivable or Delinquent Receivable as determined by the Originator taking into account any expected credit loss in accordance with International Financial Reporting Standard 9 (IFRS 9) (as amended) or any such equivalent financial reporting standard promulgated by the International Accounting Standards Board in order to replace IFRS 9.

**Income Collections** means:

(a) all Instalment Interest Amounts collected by the Issuer or the Servicer in respect of the Receivables and credited to a FCAB Bank Account;

(b) the amount of any Recoveries which the Servicer determines are in respect of Instalment Interest Amounts and credited to a FCAB Bank Account; and

(c) all other amounts received or recovered and paid to the Issuer under or in connection with the Receivables, other than Principal Collections.

**Initial Execution Date** means 27 October 2020.

**Initial Interest Period** means the first Interest Period beginning on (and including) the Issue Date and ending on (but excluding) the first Payment Date after the Issue Date.

**Initial Pool** means the initial pool of Receivables transferred by the Originator to the Issuer on the Completion Date falling on 27 October 2020 in accordance with the Master Receivables Purchase Agreement.

**Initial Pool Transfer Effective Date** means 24 October 2020.

**Initial Receivables** means the Receivables in the Initial Pool as identified in schedule 6 of the Master Receivables Purchase Agreement.

**Initial Retention Amount** means an amount equal to €100,000 which shall be formed on the Issue Date using Income Collections available to the Issuer on such date.

**Insolvency Event** will have occurred in respect of a company or corporation if:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and

"*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, reorganisation, dissolution or administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a pignoramento or similar procedure having a similar effect (other than in the case of any portfolio of assets purchased by the Issuer for the purposes of further separate securitisation transactions), unless in the opinion of the Representative of the Noteholders (which may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation and, in the opinion of the Representative of the Noteholders (which may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

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

(e) such company or corporation becomes subject to any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is incorporated or is deemed to carry on business.

**Insolvency Proceedings** means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) or analogous proceedings from time to time, including, but not limited to *concordato preventivo*, *amministrazione straordinaria*, *liquidazione coatta amministrativa* and *amministrazione straordinaria delle grandi imprese in crisi o in stato di insolvenza* (an arrangement with creditors prior to bankruptcy, an adjustment of creditors' claims, temporary receivership, compulsory administrative liquidation and the extraordinary administration of large companies in a state of insolvency), and any other such proceedings of other jurisdictions.

**Insolvency Regulation** means the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings, as amended and/or supplemented from time to time.

**Instalment** means, in respect of any Lease, each of the scheduled periodic instalment payments payable by the relevant Lessee pursuant to a Lease Agreement, which includes the Instalment Interest Amounts and the Instalment Principal Amount.

**Instalment Interest Amount** means, in relation to an Instalment payable on a given date, the interest component of each Instalment calculated applying a fixed rate instalment repayment plan and any other amount which is not an Instalment Principal Amount on the basis of the EDP FCAB System.

**Instalment Principal Amount** means, in relation to each Instalment, the relevant aggregate amount of (i) the principal component of such Instalment (ii) all proceeds from the related Collateral Security

and (iii) every other amount paid under or in relation to the relevant Lease Agreement and referable to such Instalment which is not an Instalment Interest Amount on the basis of the EDP FCAB System.

**Insurance Policies** means the insurance policies of any kind (including without limitation the "fire and theft insurance policies" or the other policies (covering the risk of engine and mechanic failure in used cars), losses suffered in consequence of car accidents or thefts risks of death, permanent total disability and temporary total invalidity due to car accidents, etc.).

**Intercreditor Agreement** means the agreement so named dated on or about the Issue Date between the Issuer, the Reporting Entity and the Other Issuer Creditors.

**Interest Available Funds** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate, without duplication, of:

(a) all Income Collections standing to the credit of the Interest Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding the interest proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Income Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) all amounts received by the Issuer from any Eligible Investments in excess of the original principal amount invested in the relevant Eligible Investment during the Collection Period immediately preceding such Calculation Date;

(d) all amounts of interest accrued on and credited to the Collections Account, the Cash Reserve Account, the Interest Funds Account and the Principal Funds Account and relating to the Collection Period immediately preceding such Calculation Date;

(e) on any Calculation Date, up to (and including) the Calculation Date immediately preceding the Payment Date on which the Rated Notes will be redeemed in full or cancelled, to the extent of any Interest Shortfall, the lower of (i) that portion of the Cash Reserve which is equal to such Interest Shortfall and (ii) the Cash Reserve;

(f) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report);

(g) any amount received by the Issuer from any other Transaction Party during the immediately preceding Collection Period and not already included in any of the items of the definition of Principal Available Funds or in any other item of this definition of Interest Available Funds;

(h) on the Payment Date on which the Notes will be redeemed in full or cancelled, any amount standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes; and

(i) all amounts to be paid on the immediately succeeding Payment Date pursuant to item (i) *First* of the Pre-Acceleration Principal Priority of Payments,

provided that, for so long as the Pre-Acceleration Interest Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments of interest on the Rated Notes and all the other amounts ranking in priority thereto pursuant to the Pre-Acceleration Interest Priority of Payments will be transferred into the Payments Account.

**Interest Funds Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389103 and IBAN IT 86 Y 03479 01600 000802389103) as renumbered or redesignated from time to time or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Interest Funds Account.

**Interest Payment Amount** has the meaning given to such term in Condition 7.8 *(Determination of Interest Rate and calculation of Interest Payment Amounts*).

**Interest Period** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the Initial Interest Period shall begin on (and including) the Issue Date and end on (but excluding) the first Payment Date after the Issue Date.

**Interest Shortfall** means on any Calculation Date, for so long as the Pre-Acceleration Interest Priority of Payments applies, the amount (if any) by which the Interest Available Funds (other than items (e) and (i) of that definition) fall short of the aggregate of all amounts that would be necessary to meet payments under items (i) *First* to (viii) *Eighth* (both included) of the Pre-Acceleration Interest Priority of Payments on the immediately succeeding Payment Date.

**Investor Report** means the report of such name which is prepared by the Calculation Agent on or prior to each Investor Report Date pursuant to the Cash Allocation, Management and Payments Agreement containing information referring to the immediately preceding Collection Period and Interest Period.

**Investor Report Date** means the date falling 15 (fifteen) Business Days after each Payment Date.

**Issue Date** means 11 November 2020.

**Issuer** means Asset-Backed European Securitisation Transaction Eighteen S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00 fully paid up, fiscal code and enrolment with the companies register of Treviso-Belluno number 05021340269, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35739.2 and having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

**Issuer Available Funds** means in respect of any Payment Date, the aggregate of the Interest Available Funds and Principal Available Funds (as determined on the immediately preceding Calculation Date as the context may require).

**Issuer's Rights** means any monetary right arising out in favour of the Issuer against the Lessees and any other monetary right arising out in favour of the Issuer in the context of the Securitisation, including the Collections and the Eligible Investments acquired with the Collections.

**Liabilities** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any VAT or similar tax charged or chargeable in respect of any sum referred to in this definition.

**Lease** means any financial lease (*leasing finanziario*) granted by FCAB to a Lessee under the relevant Lease Agreement.

**Lease Agreements** means each financial leasing agreement between the Originator and a Lessee for the lease of a Car (as subsequently amended and supplemented), from which the Receivables comprised in the Portfolio (satisfying and as selected pursuant to the Eligibility Criteria) arise (excluding for the avoidance of doubt any fleet leasing agreement).

**Lessees** means the parties which have signed the Lease Agreements with the Originator, and **Lessee** means each of them.

**Mandate Agreement** means the mandate agreement dated on or about the Issue Date between the Issuer and the Representative of the Noteholders.

**Master Definitions Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Other Issuer Creditors.

**Master Receivables Purchase Agreement** means the master receivables purchase agreement dated the Initial Execution Date entered into between the Issuer and the Originator.

**Meeting** means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment.

**Mezzanine Noteholder** means the holder of a Mezzanine Note and **Mezzanine Noteholders** means, as the context may require, the holders of some or all of the Mezzanine Notes.

**Mezzanine Notes** means the Class B Notes and the Class C Notes or any of them.

**Moody's** means Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's Italia S.r.l., as the case may be. In particular:

(a) Moody's Investors Service Inc. is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by the ESMA pursuant to article 4(3) of the CRA Regulation; and

(b) Moody's Investors Service Ltd and Moody's Italia S.r.l. are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA.

**Monte Titoli** means Monte Titoli S.p.A., with business address at Piazza degli Affari 6, 20123 Milan, Italy, or any successor thereto.

**Monte Titoli Account Holder** means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System).

**Monthly Report** means the report, substantially in the form set out in schedule 4 to the Servicing Agreement, produced by the Servicer in accordance with the Servicing Agreement.

**Monthly Report Date** means the 6th (sixth) Business Day prior to the first calendar day of each month in each year, provided that the first Monthly Report Date will follow on 23 December 2020.

**Most Senior Class of Notes** means:

(a) the Class A Notes (for so long as there are Class A Notes outstanding); or

(b) if no Class A Notes are then outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or

(c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (for so long as there are Class C Notes outstanding); or

(d) if no Class A Notes, Class B Notes and Class C Notes are then outstanding, the Class M Notes (for so long as there are Class M Notes outstanding).

**Noteholders** means the holders of the Notes.

**Notes** means the Senior Notes, the Mezzanine Notes and the Class M Notes.

**Notes Pre-Amortisation Event** means, in relation to a Calculation Date, the circumstance that the amount of Principal Available Funds remaining after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments on the immediately following Payment Date exceeds 15 per cent. of the Principal Amount Outstanding of the Notes on such Calculation Date.

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

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

**Ordinary Resolution** means any resolution passed at a Meeting, duly convened and held in accordance with the provisions of the Rules by a majority of the votes cast.

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

**Originator** means FCAB, in its capacity as originator of the Receivables.

**Other Issuer Creditors** means the Representative of the Noteholders on its own behalf, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Originator, the Servicer, the Corporate Administrator, the Back-up Servicer Facilitator, the Arrangers, the Stichting Corporate Services Provider, the Subscriber, the Back-up Servicer (if appointed) and any other party who may after the Issue Date accede to the Intercreditor Agreement in accordance with the provisions thereof.

**Outstanding Balance** means, on any relevant date of repurchase and with respect of each Receivable, the aggregate of (i) the Outstanding Principal of such Receivable, (ii) any interest due but unpaid thereon and (iii) any interest invoiced but not yet due thereon, as at such date.

**Outstanding Principal** means, on any relevant date, the aggregate of all the Instalment Principal Amounts of the Receivables not yet due and the Instalment Principal Amounts of the Receivables due and unpaid.

**Paying Agents** means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Condition 10.4 (*Change of Agent*) and the Cash

Allocation, Management and Payments Agreement and acting through their respective Specified Offices.

**Payment Date** means the 15th (fifteenth) calendar day of each month or, if any such day is not a Business Day, the immediately following Business Day provided that, following the delivery of a Trigger Notice, it shall also be any other Business Day designated as such by the Representative of the Noteholders after consultation with the Servicer, provided that the first Payment Date will fall in January 2021.

**Payments Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389101 and IBAN IT 35 W 03479 01600 000802389101), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Payments Account.

**Payments Report** means a report setting out all the payments to be made on the following Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments and the Pre-Acceleration Principal Priority of Payments which is required to be delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**Pool** means the Initial Pool or an Additional Pool, as the context may require.

**Pool Transfer Effective Date** means (i) in relation to the Initial Pool, the Initial Pool Transfer Effective Date, and (ii) in relation to each Additional Pool, the Additional Pool Transfer Effective Date falling on or after the relevant Monthly Report Date.

**Portfolio** means the portfolio of Receivables transferred by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and comprising the Initial Pool and the Additional Pools.

**Post-Acceleration Priority of Payments** means the order of priority in which the Issuer Available Funds shall be applied in accordance with Condition 6.3 (*Post-Acceleration Priority of Payments*) and the Intercreditor Agreement.

**Post-Acceleration Report** means a report setting out all the payments to be made under the Post-Acceleration Priority of Payments which shall be delivered by the Calculation Agent from time to time to the Representative of the Noteholders, the Other Issuer Creditors and the Rating Agencies, pursuant to the Cash Allocation, Management and Payments Agreement or upon request of the Representative of the Noteholders.

**Pre-Acceleration Interest Priority of Payments** means the order of priority in which the Interest Available Funds shall be applied in accordance with Condition 6.1 (*Pre-Acceleration Interest Priority of Payments*) and the Intercreditor Agreement.

**Pre-Acceleration Principal Priority of Payments** means the order of priority in which the Principal Available Funds shall be applied in accordance with Condition 6.2 (*Pre-Acceleration Principal Priority of Payments*) and the Intercreditor Agreement.

**Pre-Amortisation Principal Payment Amount** means, during the Revolving Period in respect of any Payment Date following the occurrence of a Notes Pre-Amortisation Event, an amount equal to the Principal Available Funds remaining on such Payment Date after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments.

**Principal Amount Outstanding** means, on any day:

(a) in relation to a Note, the principal amount of that Note upon issue minus the aggregate amount of any principal payments in respect of that Note which have become due and payable and been paid on or prior to that day;

(b) in relation to each Class, the aggregate of the amount determined in letter (a) above in respect of all Notes outstanding in such Class; and

(c) in relation to the Notes outstanding at any time, the aggregate of the amount determined in letter (a) above in respect of all Notes outstanding, regardless of Class.

**Principal Available Funds** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate, without duplication, of:

(a) the Principal Collections standing to the credit of the Principal Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding the principal proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Principal Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) any amounts to be allocated on the immediately succeeding Payment Date pursuant to items (x) *Tenth* and (xi) *Eleventh* of the Pre-Acceleration Interest Priority of Payments;

(d) any amounts paid into the Principal Funds Account on the immediately preceding Payment Date pursuant to item (ii) *Second* (B) of the Pre-Acceleration Principal Priority of Payments;

(e) on the Calculation Date immediately preceding the earlier of (i) the Final Maturity Date and (ii) the Payment Date on which there are sufficient funds to redeem the Rated Notes in full (or there would be sufficient funds if this item (e) of the definition of Principal Available Funds were to be applied), the amount standing to the credit of the Cash Reserve Account after first deducting any amounts in accordance with item (e) of the definition of Interest Available Funds;

(f) all amounts received from the sale (if any) of the whole Portfolio in case of early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) or following the delivery of a Trigger Notice;

(g) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report),

provided that, for so long as the Pre-Acceleration Principal Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Principal Available Funds corresponding to the amounts necessary to make payments under item (i) *First* of the Pre-Acceleration Principal Priority of Payments will be transferred into the Payments Account.

**Principal Collections** means the aggregate of:

(a) all Instalment Principal Amounts received by the Servicer and credited to an Account;

(b) any amounts received by the Issuer in respect of the Receivables upon prepayment of any Lease;

(c) any amount paid by the Originator to the Issuer under the Warranty and Indemnity Agreement (including, for the avoidance of doubt, any amount paid by the Originator to the Issuer as repurchase price of individual Receivables);

(d) the amount of Recoveries which the Servicer determines are in respect of Instalment Principal Amounts and which are standing to the credit of the Principal Funds Account; and

(e) all other amounts paid by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement (other than Instalment Interest Amounts), including, for the avoidance of doubt, any principal amount paid by the Originator to the Issuer as repurchase price of individual Receivables.

**Principal Factor** means, at any time and in respect of a Class of Notes, the fraction expressed as a decimal to the eight point of which the numerator is the aggregate Principal Amount Outstanding of the relevant Class of Notes at such time and the denominator is the aggregate Principal Amount Outstanding of the relevant Class of Notes upon issue.

**Principal Funds Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389102 and IBAN IT 12 X 03479 01600 000802389102), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Principal Funds Account.

**Principal Paying Agent** means BNP Paribas Securities Services, Milan branch, in its capacity as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement or any other person for the time being acting as such.

**Principal Payment Amount** has the meaning given to such term in Condition 8.7 (*Calculations on each Calculation Date*).

**Principal Shortfall** means, on any Calculation Date, the difference (if positive) between:

the aggregate Outstanding Principal of all Receivables which have become Defaulted Receivables (excluding the Residual Optional Instalments) from the relevant Pool Transfer Effective Date until the end of the immediately preceding Collection Period (such Outstanding Principal calculated, in relation to each Receivable, as at the end of the Collection Period in which such Receivable has become a Defaulted Receivable); and

the sum of all Interest Available Funds allocated from the first Payment Date after the Issue Date to the Payment Date immediately preceding the relevant Calculation Date in accordance with item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**Priority of Payments** means the Pre-Acceleration Interest Priority of Payments, the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be.

**Promissory Note** means a promissory note payable on demand issued to the Originator by a Lessee or by a Guarantor to guarantee the repayment of amounts due to the Originator under a Lease Agreement.

**Prospectus** means this prospectus prepared by the Issuer in relation to the Notes.

**Purchase Agreement** means a purchase agreement entered into by the Issuer and the Originator for the purchase of Additional Receivables in accordance with the Master Receivables Purchase Agreement.

**Purchase Termination Event** means each event specified in Condition 13 (*Purchase Termination Events*) and schedule 3 of the Master Receivables Purchase Agreement.

**Quarterly Report Date** means (i) prior to the delivery of a Trigger Notice, the date falling no later than one month after each Payment Date falling in January, April, July and October in each year, or (ii) following the delivery of a Trigger Notice, the date falling no later than one month after each quarterly date designated as Payment Date by the Representative of the Noteholders after consultation with the Servicer, provided that the first Quarterly Report Date will fall in February 2021.

**Quota Capital Account** means a euro-denominated deposit account opened with Banca Monte dei Paschi di Siena S.p.A. (IBAN IT69I0103061622000001849704) or any other account as may replace it in accordance with the Cash Allocation, Management and Payments Agreement into which the sum representing 100 per cent. of the Issuer's equity capital (equal to €10,000) has been deposited and will remain deposited therein until liquidation of the Issuer.

**Quotaholder** means Stichting Tognazzi.

**Quotaholder Agreement** means the quotaholder agreement dated on or about the Issue Date between the Issuer and the Quotaholder.

**Rated Noteholders** means the holders of the Rated Notes.

**Rated Notes** means, collectively, the Senior Notes and the Mezzanine Notes.

**Rating Agencies** means, collectively, DBRS and Fitch.

**Receivable** means, in relation to each Lease Agreement, each and every right, including potential and/or future rights, of the Originator arising under such Lease Agreement and any related Collateral Security as from the relevant Pool Transfer Effective Date (included), assigned to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Agreement (if applicable), and which include, without limitation:

(a) any and all rights and claims for the payment of outstanding Instalments;

(b) any and all rights and claims for the payment of any amount owed for damages, expenses, charges, costs, fees and ancillary charges;

(c) any and all rights and claims for the payment of any other amount or sum owed for any reason;

(d) the Residual Optional Instalment;

as well as

(a) all related Collateral Security and the rights of the Originator in respect of it, including the right to the delivery of any Promissory Note issued to the Originator as a guarantee of the amounts due to the Originator pursuant to the relevant Lease Agreement, the right to obtain the endorsement thereon in favour of the Originator, as well as the right to the fulfilment and collection of any such Promissory Note;

(b) the liens (*privilegi*) and pre-emption rights (*cause di prelazione*) in the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred in relation to the recovery of amounts due in respect of the Lease Agreement together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, but not limited to the remedy of rescission of contract and the right to declare the Lessees and Guarantors debarred due to lapse of time limit (*decaduti dal beneficio del termine*);

(c) all rights to payment of sums due arising from the Lease Agreements following actions of revocation (*azione revocatoria*) of the said agreements which may be taken against the Originator or the Issuer after each relevant Completion Date in terms of Insolvency Proceedings,

but excluding (i) the VAT relating to the Lease Agreements, (ii) the service and mantainance components, (iii) any insurance premia, and (iv) any expenses connected with the collection of the Receivables (such as commissions for SEPA Direct Debit or bank transfer).

**Recoveries** means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any Delinquent Receivables and credited to a FCAB Bank Account (including, without limitation, any proceeds of the sale or other disposal of the relevant Car upon default of a Lessee in an amount up to all the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalment, of the relevant Lease).

**Regulation 13 August 2018** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as amended and/or supplemented from time to time.

**Regulation S** means Regulation S under the Securities Act.

**Relevant Clearing System** means Euroclear and/or Clearstream, Luxembourg.

**Relevant Day-Count Fraction** means, in relation to an Interest Period, the actual number of days in the relevant Interest Period divided by 360.

**Representative of the Noteholders** means Banca Finint, acting in its capacity as representative of the Noteholders pursuant to the Subscription Agreement, the Mandate Agreement and the Intercreditor Agreement or any other person for the time being acting as such.

**Residual Optional Instalment** means the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Agreement (if the Lessee elects to exercise its option to purchase the related Car) the Receivables of which have been assigned under the terms of the Master Receivables Purchase Agreement.

**Retention Amount** means an amount necessary to replenish the Expenses Account up to the Initial Retention Amount plus 2 (two) per cent. of the on-balance sheet expenses which the Issuer paid in the previous Collection Period.

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of (i) the Payment Date falling in April 2021 (included) and (ii) the occurrence of a Purchase Termination Event (excluded).

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

**Securities Account** means the securities account which may be established in the name of the Issuer with the Account Bank, in accordance with the terms of the Cash Allocation, Management and Payments Agreement.

**Securitisation** means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

**Securitisation Law** means Italian Law number 130 of 30 April 1999, as amended from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

**Security Interest** means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

**Senior Noteholder** means the holder of a Senior Note and **Senior Noteholders** means, as the context may require, the holders of some or all of the Senior Notes.

**Senior Notes** means the Class A Notes.

**SEPA Direct Debit** means the payment method through bank direct debit.

**Servicer** means FCAB in its capacity as servicer pursuant to the Servicing Agreement or any other person for the time being acting as such.

**Servicing Agreement** means the agreement dated the Initial Execution Date between the Issuer and the Servicer.

**Settlement Date** means:

(a) in relation to the Initial Pool, the Issue Date; and

(b) in relation to any other Additional Pools, the Payment Date on which the payment of the relevant Advance Purchase Price is made with data certain at law ("*data certa*"), in accordance with articles 1 and 4 of the Securitisation Law.

**Specified Office** means, with respect to the Principal Paying Agent, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, and with respect to any additional or other Paying Agent appointed pursuant to Condition 10.4 (Change of Agents) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (Change of Agents) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

**SR Investor Report** means the report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-

paragraph of article 7(1) of the EU Securitisation Regulation), to be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**Standard & Poor's** or **S&P** means Standard & Poor's Financial Services LLC and/or Standard & Poor's Credit Market Services Europe Limited, as the case may be. In particular:

(a) Standard & Poor's Financial Services LLC is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by ESMA pursuant to article 4(3) of the CRA Regulation; and

(b) Standard & Poor's Credit Market Services Europe Limited are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA website.

**Stichting Tognazzi** means Stichting Tognazzi, a Dutch foundation established under the laws of The Netherlands having its registered office at Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands, enrolled with fiscal code no. 97841880152 and enrolled with the Chamber of Commerce of Amsterdam under no. 74176935.

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

**Stichting Corporate Services Provider** means Wilmington Trust or any other person acting as stichting corporate services provider under the Securitisation from time to time.

**Subscription Agreement** means the subscription agreement related to the Notes on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Arrangers and the Subscriber.

**TARGET2** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

**Target Cash Reserve Amount** means € 3,150,000, provided that, on the Calculation Date immediately preceding the earlier of (a) the Payment Date following the service of a Trigger Notice, (b) the Final Maturity Date or any other date on which the Rated Notes are redeemed in full, and (c) the Cancellation Date, the Target Cash Reserve Amount will be reduced to 0 (zero).

**TARGET Settlement Day** means a day on which the TARGET2 is open for the settlement of payments in euro.

**Tax** means any present or future taxes, duties, assessments or governmental charges of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**Tax Call Event** has the meaning given to such term in Condition 8.5 (*Optional redemption for taxation reasons*).

**Tax Deduction** means any deduction or withholding on account of Tax.

**Tax Redemption Notice** means the notice delivered by the Issuer upon the occurrence of a Tax Call Event, in accordance with Condition 8.5 (*Optional redemption for taxation reasons*).

**Transaction Documents** means the Cash Allocation, Management and Payments Agreement, the Subscription Agreement, the Conditions, the Corporate Administration Agreement, the Corporate Services Agreement, the Intercreditor Agreement, the Mandate Agreement, the Master Definitions Agreement, the Quotaholder Agreement, the Stichting Corporate Services Agreement, the Master Receivables Purchase Agreement, each Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement and any other documents executed from time to time by the Issuer after the Issue Date in connection with the Securitisation and designated as such by the relevant parties.

**Transaction Party** means any person who is a party to a Transaction Document.

**Treaty** means the treaty establishing the European Community, as amended.

**Trigger Event** means any of the events described in Condition 12.1 (*Trigger Events*).

**Trigger Notice** means the notice described as such in Condition 12.2 (*Delivery of Trigger Notice*).

**UK** means the United Kingdom.

**Uncleared Principal Shortfall Limit** means the circumstance that, for 2 (two) Calculation Dates during the Revolving Period, there are insufficient Interest Available Funds to meet in full, on the immediately following Payment Dates, any Principal Shortfall under item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**UniCredit Bank AG**, a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares (*aktiengesellschaft*), registered with the commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the "*Gruppo Bancario UniCredit*" and having its head office at Arabellastrasse 12, 81925 München, Federal Republic of Germany.

**Unrated Notes** means the Class M Notes.

**VAT** means *Imposta sul Valore Aggiuntivo* (*IVA*) as defined in Italian Presidential Decree No. 633 of 26 October 1972, as amended and implemented from time to time, and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to IVA) or elsewhere.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Initial Execution Date between the Originator and the Issuer.

**Wilmington Trust** means Wilmington Trust SP Services (London) limited, a private limited liability company incorporated under the laws of England, having its registered office at Third Floor, 1 King's Arms Yard London EC2R 7AF, United Kingdom.

**Zenith Service** means Zenith Service S.p.A., a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Betteloni, 2, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Milano - Monza- Brianza - Lodi under number 02200990980, with a share capital of Euro 2,000,000 fully paid-up, enrolled in the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under number 30, ABI Code 32590.2.

## 2.2 Interpretation

### (a) References in Condition

Any reference in these Conditions to:

**holder** and **Holder** mean the ultimate holder of a Note and the words **holder**, **Noteholder** and related expressions shall be construed accordingly;

a **law** shall be construed as a reference to any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

**person** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

**repay**, **redeem** and **pay** shall each include both of the others and **repaid**, **repayable** and **repayment**, **redeemed**, **redeemable** and **redemption** and **paid**, **payable** and **payment** shall be construed accordingly;

a **successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

(b) **Transaction Documents and other agreements**

Any reference to any document defined as a **Transaction Document** or any other agreement, deed or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement, deed or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

**2.3 Transaction Parties**

A reference to any person defined as a **Transaction Party** in these Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

## 3. FORM, TITLE AND DENOMINATION

**3.1 Denomination**

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

**3.2 Form**

The Notes will be issued in bearer form (*al portatore*) and dematerialised form (*in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with article 83-*bis* of the Consolidated Financial Act, through the authorised institutions listed in article 83-*quater* of the Consolidated Financial Act.

**3.3 Title**

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The Notes will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferred by means of, book entries in

accordance with: (a) the provisions of article 83-*bis* of the Consolidated Financial Act; and (b) Regulation 13 August 2018. No physical document of title will be issued in respect of the Notes.

### 3.4 Holder absolute owner

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

### 3.5 The Rules

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 the Noteholders (the **Rules**) which constitute an integral and essential part of these Conditions. The Rules are attached hereto as a schedule. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with the Rules.

## 4. STATUS, SEGREGATION AND RANKING

### 4.1 Status

The Notes of each Class constitute direct and unconditional obligations of the Issuer. The Notes of each Class constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes of each Class is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the other Issuer's Rights, as further specified in Condition 9.2 (*Limited recourse obligations of the Issuer*). 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.

### 4.2 Segregation by law

By operation of the Securitisation Law, the Portfolio, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections are segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third-party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

### 4.3 Ranking

(a) For so long as the Pre-Acceleration Interest Priority of Payments applies, in respect of the obligations of the Issuer to pay interest on the Notes:

(i) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class B Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class C Notes and the Class M Notes, but subordinated to the Class A Notes;

(iii) the Class C Notes will rank *pari passu* and without any preference or priority among themselves and in priority to the Class M Notes, but subordinated to the Class A Notes and the Class B Notes; and

(iv) the Class M Notes will rank *pari passu* and without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes.

(b) For so long as the Pre-Acceleration Principal Priority of Payments applies, in respect of the obligations of the Issuer to repay principal on the Notes:

(i) the Class A Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class B Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class C Notes and the Class M Notes, but subordinated to repayment of principal on the Class A Notes and no amount of principal in respect of the Class B Notes shall become due and payable or be repaid until redemption in full of the Class A Notes;

(iii) the Class C Notes will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class M Notes, but subordinated to repayment of principal on the Class A Notes and the Class B Notes and no amount of principal in respect of the Class C Notes shall become due and payable or be repaid until redemption in full of the Class A Notes and the Class B Notes; and

(iv) the Class M Notes rank *pari passu* and without any preference or priority among themselves, but subordinated to repayment of principal on the Class A Notes, the Class B Notes and the Class C Notes and no amount of principal in respect of the Class M Notes shall become due and payable or be repaid until redemption in full of the Class A Notes, the Class B Notes and the Class C Notes.

(c) For so long as the Post-Acceleration Priority of Payments applies, in respect of the obligations of the Issuer to pay interest on the Notes and repay principal on the Notes:

(i) the Class A Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves and in priority to repayment of principal on the Class A Notes and payment of interest and repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(ii) the Class A Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest on the Class A Notes and in priority to payment of interest and repayment of principal on the Class B Notes, the Class C Notes and the Class M Notes;

(iii) the Class B Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest and repayment of principal on the Class A Notes and in priority to repayment of principal on the Class B Notes, payment of interest and repayment of principal on the Class C Notes and the Class M Notes;

(iv) the Class B Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, payment of interest on the Class B Notes and in priority to payment of interest and repayment of principal on the Class C Notes and the Class M Notes;

(v) the Class C Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves but subordinated to payment of interest and repayment of principal on the Class A Notes and the Class B Notes and in priority to repayment of principal on the Class C Notes, payment of interest and repayment of principal on the Class M Notes;

(vi) the Class C Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes and the Class B Notes and payment of interest on the Class C Notes and in priority to payment of interest and repayment of principal on the Class M Notes;

(vii) the Class M Notes, as to interest payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, the Class B Notes and the Class C Notes and in priority to repayment of principal on the Class M Notes; and

(viii) the Class M Notes, as to principal payments, will rank *pari passu* and without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Class A Notes, the Class B Notes and the Class C Notes and payment of interest on the Class M Notes.

**4.4 Intecreditor Agreement**

The Intercreditor Agreement and the Rules of the Organisation of Noteholders provide that the Representative of the Noteholders shall have regard to the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Senior Noteholders and the interests of the Mezzanine Noteholders and/or the Class M Noteholders, the Representative of the Noteholders is required under the Intercreditor Agreement and the Rules of the Organisation of Noteholders to have regard only to the interests of the Senior Noteholders, until the Senior Notes have been entirely redeemed. Once the Senior Notes have been entirely redeemed, if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Mezzanine Noteholders and the interests of the Class M Noteholders, the Representative of the Noteholders is required under the Intercreditor Agreement and the Rules of the Organisation of Noteholders to have regard only to the interests of the Mezzanine Noteholders until the Mezzanine Notes have been entirely redeemed.

**4.5 Obligations of Issuer only**

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

**5. ISSUER COVENANTS**

Save with the prior written consent of the Representative of the Noteholders, or as expressly provided or envisaged in these Conditions or any of the Transaction Documents for so long as any amount remains outstanding in respect of the Notes the Issuer shall not:

**5.1 Negative pledge**

create or permit to subsist any Security Interest whatsoever upon or with respect to the Receivables or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation or undertakings except in connection with further securitisations permitted pursuant to Condition 5.13 (*Further Securitisations*) below; or

**5.2 Restrictions on activities**

(a) without prejudice to Condition 5.13 (*Further Securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in; and

(b) have any subsidiary (*società controllata*) or affiliate company (*società collegata*) (both as defined in article 2359 of the Italian civil code) or any employees or premises;

(c) have any establishment or branch offices outside the Republic of Italy; or

**5.3 Disposal of assets**

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

**5.4 Dividends or distributions**

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholder, or increase its equity capital, save as required by applicable law; or

**5.5 Borrowings**

without prejudice to Condition 5.13 (*Further Securitisations*), incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee in respect of any indebtedness or of any obligation of any person; or

**5.6 Merger**

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

**5.7 Waiver or consent**

(a) permit any of the Transaction Documents to which it is a party to become invalid or ineffective;

(b) consent to any variation or novation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Transaction Documents to which it is a party;

(c) permit any party to any of the Transaction Documents to which it is a party to be released from its respective obligations, save as envisaged by the Transaction Documents to which it is a party; or

**5.8 Bank Accounts**

with the exception of the Quota Capital Account and such other accounts that the Issuer may have opened or may open in the future in the context of securitisation transactions other than the Securitisation and without prejudice to Condition 5.13 (*Further Securitisations*), have an interest in any bank account other than the Accounts, unless such account is opened in connection with the Securitisation in an EU Member State or the UK with an Eligible Institution and is pledged, charged or ringfenced, by operation of law or otherwise, in favour of the Noteholders and the Other Issuer Creditors on terms acceptable to the Representative of the Noteholders; or

**5.9 Statutory documents**

amend, supplement or otherwise modify its by-laws (*statuto*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities; or

**5.10 Corporate records, financial statements and books of account**

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity; or

**5.11 Residency and centre of main interests**

do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the Republic of Italy or cease to be managed and administered in the Republic of Italy or cease to have its centre of main interests in the Republic of Italy; or

**5.12 Compliance with corporate formalities**

cease to comply with all necessary corporate formalities; or

**5.13 Further Securitisations**

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction unless (a) the transaction documents relating to any such securitisation are provided to the Rating Agencies and (b) the assets relating to such further securitisation are segregated in accordance with the Securitisation Law.

## 6. PRIORITY OF PAYMENTS

### 6.1 Pre-Acceleration Interest Priority of Payments

Prior to the service of a Trigger Notice and prior to the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Interest Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the **Pre-Acceleration Interest Priority of Payments**) but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *First*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Expenses due and payable by the Issuer in relation to the Securitisation (to the extent such Expenses have not been paid during the immediately preceding Interest Period out of the Expenses Account);

(ii) *Second*, to credit the Retention Amount to the Expenses Account;

(iii) *Third*, in or towards satisfaction of any and all outstanding fees, costs and expenses of, and all other amounts (including, for the avoidance of doubt, any indemnities) due and payable to, the Representative of the Noteholders;

(iv) *Fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Principal Paying Agent, the

Corporate Servicer, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Back-up Servicer (if appointed), the Corporate Administrator, the Account Bank and the Calculation Agent;

(v) *Fifth*, in or towards satisfaction of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Servicer pursuant to the terms of the Servicing Agreement;

(vi) *Sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class A Notes;

(vii) *Seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class B Notes;

(viii) *Eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class C Notes;

(ix) *Ninth,* for so long as there are Rated Notes outstanding, to credit to the Cash Reserve Account an amount necessary to bring the balance of such account up to (but not exceeding) the Target Cash Reserve Amount;

(x) *Tenth*, to allocate to the Principal Available Funds an amount equal to the Principal Shortfall as at the immediately preceding Calculation Date;

(xi) *Eleventh*, to allocate to the Principal Available Funds an amount equal to the amount (if any) paid under item (i) *First* of the Pre-Acceleration Principal Priority of Payments on any preceding Payment Date and not yet repaid pursuant to this item;

(xii) *Twelfth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable on the Class M Notes;

(xiii) *Thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers under the terms of the Subscription Agreement;

(xiv) *Fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid under other items of this Pre-Acceleration Interest Priority of Payments;

(xv) *Fifteenth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

From time to time, during each Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payments Agreement, be entitled to apply amounts standing to the credit of the Expenses Account to pay Expenses.

## 6.2 Pre-Acceleration Principal Priority of Payments

Prior to the service of a Trigger Notice and prior to the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Principal Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payment or provision in the following order of priority

(the **Pre-Acceleration Principal Priority of Payments**) but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

(i) *First*, to pay all the amounts due under items (i) *First* to (viii) *Eighth* (both included) of the Pre-Acceleration Interest Priority of Payments, to the extent not paid under the Pre-Acceleration Interest Priority of Payments due to insufficiency of Interest Available Funds from items (a) to (h) (both included) of the definition of Interest Available Funds;

(ii) *Second*:

(A) during the Revolving Period:

I. *first*, in or towards payment of the Advance Purchase Price of an Additional Pool sold by the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Agreement; and

II. *second*, only following the occurrence of a Notes Pre-Amortisation Event on the immediately preceding Calculation Date, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes in an amount equal to the Pre-Amortisation Principal Payment Amount; and

(B) during the Revolving Period, to transfer any remaining amounts to the Principal Funds Account;

(iii) *Third*, during the Amortisation Period, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;

(iv) *Fourth*, during the Amortisation Period, upon repayment in full of the Class A Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;

(v) *Fifth*, during the Amortisation Period, upon repayment in full of the Class B Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;

(vi) *Sixth*, during the Amortisation Period, upon repayment in full of the Rated Notes, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class M Notes until the Class M Notes are repaid in full;

(vii) *Seventh*, during the Amortisation Period, upon repayment in full of the Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers pursuant to the Subscription Agreement, to the extent not paid under item (xiii) *Thirteenth* of the Pre-Acceleration Interest Priority of Payments;

(viii) *Eighth*, during the Amortisation Period, upon repayment in full of the Notes, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the Transaction Documents, to the extent not paid under item (xiv) *Fourteenth* of the Pre-Acceleration Interest Priority of Payments;

(ix) *Ninth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

### 6.3 Post-Acceleration Priority of Payments

Following the service of a Trigger Notice and in case of redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Issuer Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the **Post-Acceleration Priority of Payments**) but, in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *First*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any Expenses due and payable by the Issuer in relation to the Securitisation (to the extent such Expenses have not been paid during the immediately preceding Interest Period out of the Expenses Account);

(ii) *Second*, to credit the Retention Amount to the Expenses Account;

(iii) *Third*, in or towards satisfaction of any and all outstanding fees, costs and expenses of, and all other amounts (including, for the avoidance of doubt, any indemnities) due and payable to, the Representative of the Noteholders;

(iv) *Fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Principal Paying Agent, the Corporate Servicer, the Stichting Corporate Services Provider, the Back-up Servicer Facilitator, the Back-up Servicer (if any), the Corporate Administrator, the Account Bank and the Calculation Agent;

(v) *Fifth*, in or towards satisfaction of any and all outstanding fees, costs, expenses and other amounts (including, for the avoidance of doubt, any indemnities) due and payable to the Servicer pursuant to the terms of the Servicing Agreement;

(vi) *Sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class A Notes;

(vii) *Seventh*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class A Notes, until the Class A Notes are repaid in full;

(viii) *Eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class B Notes;

(ix) *Ninth*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;

(x) *Tenth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class C Notes;

(xi) *Eleventh*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;

(xii) *Twelfth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due and payable (including any interest accrued but unpaid) on the Class M Notes;

(xiii) *Thirteenth*, in or towards repayment, *pari passu* and *pro rata*, of the Principal Amount Outstanding of the Class M Notes until the Class M Notes are repaid in full;

(xiv) *Fourteenth*, in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any indemnity due and payable to the Arrangers pursuant to the Subscription Agreement;

(xv) *Fifteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any other amount due and payable by the Issuer under the Transaction Documents, to the extent not already paid under other items of this Post-Acceleration Priority of Payments;

(xvi) *Sixteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts due and payable to the Originator pursuant to the Master Receivables Purchase Agreement and/or the Warranty and Indemnity Agreement;

(xvii) *Seventeenth*, in or towards payment of any surplus as Deferred Purchase Price to the Originator pursuant to the Master Receivables Purchase Agreement.

From time to time, during each Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payments Agreement, be entitled to apply amounts standing to the credit of the Expenses Account to pay Expenses.

## 7. INTEREST

### 7.1 Accrual of Interest

Each Note of each Class will bear interest on its Principal Amount Outstanding from (and including) the Issue Date.

### 7.2 Payment Dates and Interest Periods

Interest on each Note will accrue on a daily basis and will be payable in Euro in arrear on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling on 15 January 2021.

### 7.3 Cessation of Interest

Each Note of each Class (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Noteholders.

### 7.4 Calculation of interest

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

### 7.5 Rates of Interest

The rate of interest applicable to the Notes (the **Rate of Interest**) for each Interest Period will be:

(a) in respect of the Class A Notes, a fixed rate equal to 0.35 per cent per annum;

(b) in respect of the Class B Notes, a fixed rate equal to 1.15 per cent per annum;

(c) in respect of the Class C Notes, a fixed rate equal to 1.70 per cent per annum; and

(d) in respect of the Class M Notes, a fixed rate equal to 7.50 per cent per annum.

**7.6 Determination and calculation of Interest Payment Amounts**

The Issuer shall, on each Determination Date, determine or cause the Principal Paying Agent to determine the Euro amount of interest payable per Calculation Amount on a Note of each Class in respect of the immediately following Interest Period (the **Interest Payment Amount**).

The Interest Payment Amount payable per Calculation Amount in respect of the Notes of each Class for any Interest Period shall be an amount equal to the product of:

$$\mathrm{R} \times \mathrm{CA} \times \mathrm{PF} \times \mathrm{DCF}$$

(where "R" is the applicable Rate of Interest for the relevant Class of Notes pursuant to Condition 7.5 (*Rates of Interest*), "CA" is the Calculation Amount, "PF" is the applicable Principal Factor for the relevant Class of Notes on the first day of such Interest Period after any repayments of principal made on such day and "DCF" is the Relevant Day-Count Fraction) rounded down to the nearest cent. The Interest Payment Amount payable per each Note for any Interest Period shall be an amount equal to the product of:

$$\mathrm{RA} \times (\mathrm{D}/\mathrm{CA})$$

(where "RA" is the Interest Payment Amount payable per Calculation Amount in respect of such Class of Notes for such Interest Period, "D" is the denomination of each Note of such Class of Notes and "CA" is the Calculation Amount in respect of such Class of Notes).

**7.7 Notification of Interest Payment Amount and Payment Date**

(a) As soon as practicable (and in any event not later than the close of business on the relevant Determination Date), the Issuer (through the Principal Paying Agent) will cause:

(i) the Interest Payment Amount for each Class of Notes for the related Interest Period; and

(ii) the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Administrator, Monte Titoli and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 17 (*Notices*) on or as soon as possible after the relevant Determination Date.

(b) The Issuer will cause notice to be given to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), no fewer than 2 (two) Business Days prior to the relevant Payment Date, of any Payment Date on which, pursuant to this Condition 7, interest due and payable on the Most Senior Class of Notes will not be paid in full.

**7.8 Amendments to publications**

The Interest Payment Amount for each Class of Notes and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

### 7.9 Determination by the Representative of the Noteholders

If the Issuer does not at any time for any reason calculate the Interest Payment Amount for the Notes of each Class in accordance with this Condition 7, the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall determine (or cause to be determined) the Interest Payment Amount for each Note of such Class in the manner specified in Condition 7.6 (*Determination and calculation of Interest Payment Amounts*), and any such determination shall be deemed to have been made by the Principal Paying Agent on behalf of the Issuer.

### 7.10 Unpaid Interest with respect to the Notes

Unpaid interest on the Notes of each Class shall accrue no interest. Without prejudice to Condition 12.1(a), any Interest Payment Amount that remains unpaid in respect of previous Payment Dates shall be paid on the immediately following Payment Date on which there will be enough Issuer Available Funds to pay such unpaid amounts.

## 8. REDEMPTION, PURCHASE AND CANCELLATION

### 8.1 Final Redemption

(a) Unless previously redeemed in full or cancelled as provided in this Condition 8, the Issuer shall redeem the Notes of each Class at their Principal Amount Outstanding, plus any accrued interest, on the Final Maturity Date.

(b) The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 8.2 (*Mandatory redemption during the Amortisation Period*), Condition 8.3 (*Notes Pre-Amortisation Event*), Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional redemption for clean-up call*) and Condition 8.5 (*Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Trigger Events*) and Condition 14 (*Enforcement*).

(c) If the Notes of any Class cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient Principal Available Funds for application in or towards such redemption in accordance with the relevant Priority of Payments, the provisions of Condition 9 (*Limited Recourse and non Petition*) and Condition 12.2 (*Delivery of Trigger Notice*) shall apply with regard to any unpaid amounts.

### 8.2 Mandatory redemption during the Amortisation Period

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date during the Amortisation Period, in each case if on any such date there are sufficient Principal Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

### 8.3 Notes Pre-Amortisation Event

In addition, the Class A Notes will be subject to mandatory redemption in part *pro rata* on any Payment Date during the Revolving Period if, on the immediately preceding Calculation Date, a Notes Pre-Amortisation Event has occurred. The Class A Notes shall be redeemed on such Payment Date in accordance with these Conditions by applying the Pre-Amortisation Principal Payment Amount determined on the immediately preceding Calculation Date.

### 8.4 Optional redemption for clean-up call

Provided that no Trigger Notice has been served on the Issuer, the Issuer may, on any Payment Date following the occurrence of a Clean-up Call Event, redeem the Rated Notes (in whole but not in part)

and the Unrated Notes (in whole or in part) at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Post-Acceleration Priority of Payments, subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Representative of the Noteholders and to the Noteholders, with copy to the Servicer and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes; and

(b) on or prior to the notice referred to in paragraph (a) above being given, delivering to the Representative of the Noteholders, with copy to the Servicer, a certificate duly signed by a director of the Issuer confirming that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to redeem at least the Rated Notes and pay any amount required to be paid under the Post-Acceleration Priority of Payments in priority thereto.

For the purposes of this Condition 8.4, **Clean-up Call Event** means the circumstance that the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Portfolio is equal to or less than 10% of the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Initial Pool as at the Initial Pool Transfer Effective Date.

Under the terms of the Master Receivables Purchase Agreement, the Originator has been given an option right pursuant to article 1331 of the Italian civil code to repurchase *pro soluto* (in whole but not in part) the Portfolio from the Issuer at the Final Repurchase Price in order to finance the early redemption of the Notes, provided that such option right may be exercised in respect of any Payment Date following the occurrence of a Clean-up Call Event, and shall be subject to the other conditions set forth in the Master Receivables Purchase Agreement.

**8.5 Optional redemption for taxation reasons**

Provided that no Trigger Notice has been served on the Issuer, the Issuer may, on any Payment Date following the occurrence of a Tax Call Event, redeem the Rated Notes (in whole but not in part) and the Unrated Notes (in whole or in part), at their Principal Amount Outstanding (together with, in each case, any accrued but unpaid interest thereon), in accordance with the Post-Acceleration Priority of Payments, subject to the Issuer:

(a) giving not more than 60 (sixty) calendar days' nor less than 20 (twenty) calendar days' notice (which notice shall be irrevocable) to the Representative of the Noteholders and to the Noteholders, with a copy to the Servicer and the Rating Agencies, in accordance with Condition 17 (*Notices*) of its intention to redeem the Notes (the **Tax Redemption Notice**); and

(b) on or prior to the Tax Redemption Notice being given,

(i) providing a legal opinion from a primary international law firm in form and substance satisfactory for the Representative of the Noteholders or other evidence satisfactory to the Representative of the Noteholders that the occurrence of a Tax Call Event could not be avoided;

(ii) delivering to the Representative of the Noteholders, with copy to the Servicer, a certificate duly signed by a director of the Issuer confirming that it will have necessary funds (free and clear of any Security Interest of any third party) on such Payment Date (A) to redeem at least the Rated Notes and pay any amount required

to be paid under the Post-Acceleration Priority of Payments in priority thereto, and (B) to pay any additional taxes that will be payable by the Issuer by reason of such early redemption of the Notes.

For the purposes of this Condition 8.5, **Tax Call Event** means a change in tax law (or the application or official interpretation thereof), which becomes effective on or after the Issue Date and by reason of which:

(a) the assets of the Issuer in respect of the Securitisation (including the Receivables, the Collections and any other Issuer's Rights) becoming subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction;

(b) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes being required to apply any Tax Deduction or withhold any amount (other than in respect of a Decree 239 Deduction) in respect of the Notes, from any payment of principal or interest on or after such Payment Date for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political sub-division thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following a change in law or the interpretation or administration thereof;

(c) any amounts of interest payable to the Issuer in respect of the loans being required to be deducted or withheld from the Issuer for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction.

Under the terms of the Master Receivables Purchase Agreement, the Originator has been given an option right pursuant to article 1331 of the Italian civil code to repurchase *pro soluto* (in whole but not in part) the Portfolio from the Issuer at the Final Repurchase Price in order to finance the early redemption of the Notes, provided that such option right may be exercised in respect of any Payment Date following the occurrence of a Tax Call Event and shall be subject to the other conditions set forth in the Master Receivables Purchase Agreement.

**8.6 Conclusiveness of certificates**

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) may be relied on by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

**8.7 Calculations on each Calculation Date**

(a) On or prior to each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(i) the amount of the Issuer Available Funds;

(ii) the aggregate principal payment (if any) due on each Class of Notes on the next following Payment Date and the Principal Payment Amount (if any) due on each Note of that Class;

(iii) the Principal Amount Outstanding of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of such Class);

(iv) the Pre-Amortisation Principal Payment Amount (if any); and

(v) the amount payable as Deferred Purchase Price to the Originator.

(b) The principal amount redeemable in respect of each Note of each Class (the **Principal Payment Amount**) on any Payment Date shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Payment Date to be applied towards redemption of such Class of Notes in accordance with the applicable Priority of Payments equal to the proportion that the Calculation Amount in respect of such Class of Notes bears to the aggregate Principal Amount Outstanding of all the Notes of such Class upon issue, rounded down to the nearest cent, provided that no amount of principal payable in respect of a Note may exceed the Principal Amount Outstanding of such Note. The Principal Payment Amount payable per Calculation Amount in respect of each Note of a particular Class on any Payment Date shall be an amount equal to the product of:

$$\mathrm{PP} \times (\mathrm{D}/\mathrm{CA})$$

(where "PP" is the Principal Payment Amount payable per Calculation Amount in respect of such Class of Notes on such Payment Date, "D" is the denomination of each Note of the relevant Class of Notes and "CA" is the Calculation Amount in respect of such Class of Notes).

**8.8 Calculation by the Representative of the Noteholders in case of Issuer default**

If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of the Notes, the Principal Payment Amount in respect of each Note of each Class, the Pre-Amortisation Principal Payment Amount (if any) or the Principal Amount Outstanding in relation to each Note of each Class in accordance with this Condition and any other Transaction Documents, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders, without any liability accruing to the Representative of the Noteholders as a result, in accordance with this Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Calculation Agent on behalf of the Issuer.

**8.9 Failure by the Servicer to deliver the Monthly Report to the Calculation Agent**

If, for so long as the Pre-Acceleration Interest Priority of Payments and the Pre-Acceleration Principal Priority of Payments apply, the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), the Calculation Agent or the Representative of the Noteholders (in the case of Condition 8.8) shall consider, for the purpose of determining the Issuer Available Funds to be applied on the immediately following Payment Date and the delivery of the Payments Report, all the amounts then standing to the credit of the Collections Account, the Principal Funds Account and the Interest Funds Account (as resulting from the latest Account Bank Report), including, for the avoidance of any doubt, the amounts invested in Eligible Investments and, solely for the purpose of the immediately following Payment Date, interest on the Rated Notes and all the other amounts ranking in priority thereto pursuant to the Pre-Acceleration Interest Priority of Payments and amounts under item (i) *First* of the Pre-Acceleration Principal Priority of Payments shall be deemed due and payable by the Issuer on such Payment Date. To the extent that the Issuer Available Funds so calculated are not sufficient to pay on the immediately following Payment Date interest on the Rated Notes and

all the other amounts ranking in priority thereto pursuant to the Pre-Acceleration Interest Priority of Payments, the Calculation Agent or the Representative of the Noteholders (in the case of Condition 8.8) shall instruct the Account Bank to transfer to the Payments Account funds standing to the credit of the Cash Reserve Account in an amount sufficient to make such payments in full on the immediately following Payment Date. On the immediately following Calculation Date and subject to the timely receipt of the Monthly Report from the Servicer, the Calculation Agent or the Representative of the Noteholders (in the case of Condition 8.8) shall, in determining the amounts due and payable on the immediately following Payment Date, make any necessary adjustment to take into account the difference (if any) between the provisional payments made on the immediately preceding Payment Date and the actual amounts that would have been due on that Payment Date.

If, for so long as the Post-Acceleration Priority of Payments applies, the Servicer fails to deliver the Monthly Report to the Calculation Agent within the Monthly Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner) (a) the Calculation Agent or the Representative of the Noteholders (in the case of Condition 8.8) shall consider, for the purpose of determining the Issuer Available Funds to be applied on the immediately following Payment Date and the delivery of the Payments Report, all the amounts then standing to the credit of the Collections Account, the Principal Funds Account and the Interest Funds Account (as resulting from the latest Account Bank Report), including, for the avoidance of any doubt, the amounts invested in Eligible Investments, and (b) all the amounts to be paid under the Post-Acceleration Priority of Payments shall be due and payable to the extent there are sufficient Issuer Available Funds to make such payments.

It remains understood that, in the circumstances referred to in this Condition 8.9, the Calculation Agent or the Representative of the Noteholders (in the case of Condition 8.8) shall not be in any way liable for any missing information in the Payments Report or the Post Acceleration Report (as the case may be) and for any damages or loss of any party deriving from the payments being made pursuant to this Condition 8.9 in accordance with the Cash, Allocation, Management and Payments Agreement.

**8.10 Failure to prepare the Payments Report, the Post-Acceleration Report, the Investor Report and the SR Investor Report**

If the Calculation Agent fails to prepare the Payments Report, the Post-Acceleration Report, the Investor Report or the SR Investor Report in accordance with the relevant provisions of the Cash, Allocation, Management and Payments Agreement, the relevant Payments Report, Post-Acceleration Report, Investor Report or the SR Investor Report will be (or caused to be) prepared by the Representative of the Noteholders and the provisions of clause 6 of the Cash, Allocation, Management and Payments Agreement shall, *mutatis mutandis*, apply to the Representative of the Noteholders. Each such calculation shall be deemed to have been made by the Calculation Agent on behalf of the Issuer.

**8.11 Notice of calculation of Pre-Amortisation Principal Payment Amount, Principal Payment Amount and Principal Amount Outstanding**

The Issuer will cause each calculation of the Pre-Amortisation Principal Payment Amount (if any), Principal Payment Amount and the Principal Amount Outstanding in relation to each Class of Notes to be notified immediately after calculation (through the Payments Report or the Post-Acceleration Report) to the Representative of the Noteholders, the Paying Agents and, for so long as the Rated Notes are listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of Pre-Amortisation Principal Payment Amount (if any), Principal Payment Amount and Principal Amount Outstanding in relation to each Class of Notes to be given in accordance with Condition 17 (*Notices*) not later than 2 (two) Business Days prior to each Payment Date.

**8.12 Notice Irrevocable**

Any such notice as is referred to in Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) and Condition 8.11 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and the Issuer shall be bound to redeem, upon the expiration of the notice pursuant to Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), the Notes at their Principal Amount Outstanding (together with any accrued but unpaid interest thereon) in accordance with Condition 8.4 (*Optional redemption for clean-up call*) or Condition 8.5 (*Optional redemption for taxation reasons*), as the case may be.

**8.13 No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

**8.14 Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

**9. LIMITED RECOURSE AND NON PETITION**

**9.1 Noteholders not entitled to proceed directly against the Issuer**

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

(a) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(b) until the date falling 2 (two) years and 1 (one) day after the date on which the Notes and any notes issued under any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of the Noteholders and only if the representatives of the noteholders of all further securitisation transactions carried out by the Issuer, if any, have been so directed by appropriate resolutions of their respective noteholders under the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, other than in the circumstances expressly referred to in the Rules of the Organisation of the Noteholders; and

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

**9.2 Limited recourse obligations of the Issuer**

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

(a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by

operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(b) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (i) the aggregate amount of all sums due and payable to such Noteholder; and (ii) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to such sums and *pro rata* with any *pari passu* sums payable to such Noteholder; and

(c) on the Cancellation Date, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

## 10. PAYMENTS

### 10.1 Payments through Monte Titoli

Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts 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. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers (including Euroclear and Clearstream, Luxembourg) whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

### 10.2 Payments subject to fiscal laws

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether, by operation of law or agreement of the Issuer or its Paying Agents and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

### 10.3 Payments on Business Days

If the due date for any payment of principal and/or interest in respect of Notes is not a day on which banks are open for general business (including dealings in foreign currencies) in the place in which the relevant Monte Titoli Account Holder is located (in each case the **Local Business Day**), the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Local Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

### 10.4 Change of Agent

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of any Agent and to appoint additional or other agents provided that the Issuer shall at all times maintain a principal paying agent. The Issuer will cause at least 30 (thirty) days' prior notice of any change in or addition to the Agents or the Specified Offices of the Principal Paying Agent to be given in accordance with Condition 17 (*Notice*).

## 11. TAXATION

### 11.1 Payments free from Tax

All payments in respect of the Notes by or on behalf of the Issuer will be made without any Tax Deduction, other than a Decree 239 Deduction or any other Tax Deduction which may be required to be made by any applicable law.

### 11.2 No Payment of Additional Amounts

Neither the Issuer nor any person on its behalf shall be obliged to pay any additional amount to any Noteholder on account of any such Tax Deduction.

### 11.3 Tax Deduction not Trigger Event

Notwithstanding that the Representative of the Noteholders, the Issuer or the Paying Agents are required to make a Tax Deduction this shall not constitute a Trigger Event.

## 12. TRIGGER EVENTS

### 12.1 Trigger Events

Subject to the other provisions of this Condition 12, each of the following events shall be treated as a **Trigger Event**:

(a) **Non-payment**

The Issuer fails to pay in full (i) the amount of interest due in respect of the Most Senior Class of Notes then outstanding within 3 (three) days of the due date for payment of such interest, or (ii) the amount of principal due in respect of the Notes on the Final Maturity Date within 5 (five) days of such date, or (iii) the amount of principal due and payable on the Most Senior Class of Notes on any Payment Date prior to the Final Maturity Date (to the extent the Issuer has sufficient Issuer Available Funds to make such repayment of principal in accordance with the applicable Priority of Payments), provided that such default remains unremedied for 5 (five) days;

(b) **Breach of other obligations of the Issuer**

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation under paragraph (a) above) and such default (i) is in the opinion of the Representative of the Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy, remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice of such default to the Issuer, with a copy to the Servicer, requiring the same to be remedied;

(c) **Breach of representations and warranties by the Issuer**

Any of the representations and warranties given by the Issuer under any of the Transaction Documents is, or proves to have been, incorrect or erroneous in any material respect when made and (except where, in the opinion of the Representative of the Noteholders, it is not possible to remedy the same in which case no notice requiring remedy will be required) it has not been remedied within 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, with a copy to the Servicer, requiring the same to be remedied;

(d) **Insolvency Event**

An Insolvency Event occurs with respect to the Issuer; or

(e) **Unlawfulness**

It is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party or any material obligation of the Issuer under the Notes or a Transaction Document ceases to be legal, valid and binding.

**12.2 Delivery of Trigger Notice**

If a Trigger Event occurs and is continuing, then, subject to Condition 14 (*Enforcement*), the Representative of the Noteholders may, at its sole discretion, or shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, serve a written notice to the Issuer, with copy to the Servicer and the Calculation Agent, declaring the Notes to be due and repayable (a **Trigger Notice**).

**12.3 Conditions to delivery of Trigger Notice**

Notwithstanding Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to serve a Trigger Notice unless it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

**12.4 Consequences of delivery of Trigger Notice**

Upon the delivery of a Trigger Notice, all payments of interest and principal in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.4 (*Post-Acceleration Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

**13. PURCHASE TERMINATION EVENTS**

The occurrence of any of the following events will constitute a Purchase Termination Event:

(a) (i) (A) FCAB is in breach of its obligations or representations under the Transaction Documents and if, in the reasonable opinion of the Representative of the Noteholders, such breach is capable of remedy, such breach remains unremedied for 30 days subsequent to the Representative of the Noteholders having given written notice to the Issuer and to the Originator declaring that such breach is, in its reasonable opinion, materially prejudicial to the interests of the Noteholders; or (B) an Insolvency Event occurs in relation to FCAB or any third party Servicer; and (ii) the Representative of the Noteholders has given written notice of any of such events to the Issuer and to the Originator;

(b) the appointment of the Servicer is terminated by the Issuer giving written notice in accordance with the Servicing Agreement (other than in the event that it becomes unlawful for the Servicer to perform its activities under the Servicing Agreement);

(c) the Warranty and Indemnity Agreement or the Servicing Agreement has been terminated;

(d) the circumstance that, at any time, the Originator or the Issuer, as a consequence of the "*ius superveniens*" or for any other reason not depending from their will, may no longer lawfully

fulfil their obligations arising from the Master Receivables Purchase Agreement, and the Issuer or the Originator, as the case may be, has given written notice to the Originator or the Issuer, as the case may be, and to the Representative of the Noteholders;

(e) on any Monthly Report Date, the Gross Cumulative Default Ratio exceeds the relevant Gross Cumulative Default Threshold, as indicated in the relevant Monthly Report;

(f) on any Monthly Report Date, the Three-Month Rolling-Average Delinquency Rate exceeds the relevant Three-Month Rolling-Average Delinquency Rate Threshold, as indicated in the relevant Monthly Report;

(g) as indicated in the Payments Report related to the immediately preceding Payment Date, the Uncleared Principal Shortfall Limit has been reached;

(h) the Class A Notes are redeemed 3 (three) times during the Revolving Period pursuant to Condition 8.3 (*Notes Pre-Amortisation Event*), in each case following the occurrence of a Notes Pre-Amortisation Event;

(i) the delivery of a Trigger Notice; or

(j) the delivery of a Tax Redemption Notice.

Upon the occurrence of a Purchase Termination Event, the Revolving Period shall terminate and, as a consequence, no further Additional Pools may be transferred to the Issuer.

## 14. ENFORCEMENT

### 14.1 Proceedings

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and in such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

### 14.2 Directions to the Representative of the Noteholders

The Representative of the Noteholders shall not be bound to take any action described in Condition 14.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

(a) to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

(b) (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

### 14.3 Sale of Portfolio

Following the delivery of a Trigger Notice, the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of

the holders of the Notes then outstanding and strictly in accordance with the instructions approved thereby. In case of such sale, in accordance with the Intercreditor Agreement the Originator will have the right to purchase the Portfolio with preference to any third party potential purchaser. It is understood that no provisions shall require the automatic liquidation of the Portfolio.

## 15. THE REPRESENTATIVE OF THE NOTEHOLDERS

### 15.1 The Organisation of the Noteholders

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules.

### 15.2 Appointment of the Representative of the Noteholders

Pursuant to the Rules there shall at all times be a Representative of the Noteholders.

## 16. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

## 17. NOTICES

### 17.1 Notices given through Monte Titoli

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

### 17.2 Notices in Luxembourg

(a) As long as the Rated Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to Noteholders shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

(b) In addition, as so long as the Rated Notes are listed on the Luxembourg 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 as amended (the **Transparency Directive**).

### 17.3 Other method of giving notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Rated Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

## 18. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by any Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*), wilful default (*dolo*) or manifest error) be binding on any Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach any Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

## 19. GOVERNING LAW AND JURISDICTION

### 19.1 Governing Law of Notes

The Notes and any non-contractual obligations arising out of them are governed by Italian law.

### 19.2 Governing Law of the Transaction Documents

All the Transaction Documents and any non-contractual obligations arising out of them are governed by Italian law are governed by Italian law.

### 19.3 Jurisdiction of Courts

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non contractual obligation arising out thereof.

## EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES

## RULES OF THE ORGANISATION OF THE NOTEHOLDERS

### 1. GENERAL PROVISIONS

### 1.1 General

(a) The Organisation of 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 all the Notes.

(b) The contents of these Rules are deemed to form part of each Note issued by the Issuer.

### 1.2 Definitions

(a) In these Rules, the following terms shall have the following meanings:

**Affiliates** means, in respect of FCAB, (i) a company controlled directly or indirectly by FCAB, (ii) a company or natural person controlling directly or indirectly FCAB, (iii) a company controlled directly or indirectly by a company or a natural person controlling directly or indirectly FCAB, or (iv) a company in respect of which FCAB can exercise (directly or indirectly, including through any of the entities under paragraphs (i), (ii) and (iii)) a material influence by virtue of contractual arrangements. For the purposes of this definition the concept of control must be construed in accordance with article 2359 of the Italian civil code.

**24 Hours** means a period of 24 hours, including all or part of a day upon which banks are open for business in the place where the Meeting of the holders of the Relevant Class(es) of Notes is to be held and in the place 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 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 two consecutive periods of 24 Hours;

**Basic Terms Modification** means:

(i) a modification of the date of maturity of one or more Relevant Classes of Notes;

(ii) a modification which would have the effect of cancelling or postponing any date for payment of interest in respect of one or more Relevant Classes of Notes;

(iii) modification which would have the effect of reducing or cancelling the amount of principal payable in respect of one or more Relevant Classes of Notes or the Rate of Interest applicable in respect of one or more Relevant Classes of Notes;

(iv) a modification which would have the effect of altering the method of calculating the amount of interest or principal payable in respect of one or more Relevant Classes of Notes;

(v) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;

(vi) a modification which would have the effect of altering the currency of payment of one or more Relevant Classes of Notes or any alteration of the date or priority of payment or redemption of one or more Relevant Classes of Notes;

(vii) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as pledges, to applications of funds as provided for in the Transaction Documents;

(viii) the appointment and removal of the Representative of the Noteholders; and

(ix) an amendment to this definition;

**Block Voting Instruction** means, in relation to any Meeting, a document issued by the Principal Paying Agent:

(i) certifying that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the conclusion of the Meeting;

(ii) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Principal Paying Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(iii) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(iv) appointing one or more Proxies to vote in respect of the Blocked Notes in accordance with such instructions;

**Blocked Notes** means the Notes which have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian for the purposes of obtaining a Voting Certificate or a Block Voting Instruction and will not be released until the conclusion of the Meeting;

**Chairman** means, in relation to any Meeting, the individual who takes the chair in accordance with Article 2.6 (*Chairman of the Meeting*) of these Rules;

**Disenfranchised Matter** means any of the following matters:

(i) the revocation of FCAB in its capacity as Servicer or Corporate Servicer;

(ii) the delivery of a Trigger Notice in accordance with Condition 12.2 (*Delivery of a Trigger Notice*);

(iii) the direction to sell the Portfolio or to take any other action following the delivery of a Trigger Notice in accordance with Condition 14 (*Enforcement*);

(iv) the enforcement of any of the Issuer's rights under the Transaction Documents against FCAB in any of its capacities under the Securitisation; and

(v) any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, there may exist a conflict of interest between the holders of the Relevant Class of Notes (in such capacity) and FCAB in any of its capacities (other than as holder of the Relevant Class of Notes) under the Securitisation.

**Disenfranchised Noteholder** means, with respect to a Class of Notes, FCAB or any of its Affiliates, unless it is (or more than one of them together in aggregate are) the holders of 100% of the Notes of such Class.

**Extraordinary Resolution** means a resolution of a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by Article 2.17 (*Powers exercisable by Extraordinary Resolution*) by a majority of at least three-quarters of votes cast;

**Meeting** means a meeting of the holders of the Relevant Class(es) of Notes (whether originally convened or resumed following an adjournment);

**Proxy** means, in relation to any Meeting, a person appointed to vote under a Voting Certificate or a Block Voting Instruction;

**Relevant Class of Notes** means:

(i) the Class A Notes;

(ii) the Class B Notes;

(iii) the Class C Notes; or

(iv) the Class M Notes,

as the context requires;

**Relevant Fraction** means:

(i) for all business other than voting on an Extraordinary Resolution, one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes,

provided however that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(A) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes represented or held by the Voters actually present at the Meeting (in the case of a joint Meeting of a combination of Classes of Notes); and

(B) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), one-third of the Principal Amount Outstanding of the Notes of the relevant Class represented or held by the Voters actually present at the Meeting,

provided further that, in respect of any Disenfranchised Matter, the Notes held by a Disenfranchised Noteholder shall be treated as if they were not outstanding, shall be disregarded and shall not be counted in or towards any Relevant Fraction set out above.

**Voter** means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

**Voting Certificate** means, in relation to any Meeting, a certificate requested by the interested Noteholder and issued by the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and dated, stating:

(i) that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of (A) the conclusion of the Meeting and (B) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or the relevant custodian who issued the same;

(ii) details of the Meeting concerned and the number of the Blocked Notes; and

(iii) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes;

**Written Resolution** means a resolution in writing signed by or on behalf of all of the Noteholders of the relevant Class or classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

(b) Capitalised terms not defined herein shall have the meaning attributed to them in the terms and conditions of the Notes (the **Conditions**).

### 1.3 Organisation purpose

(a) Each holder of the Notes is a member of the Organisation of Noteholders.

(b) The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

(c) In these Rules, any reference to Noteholders shall be considered as a reference to the Senior Noteholders and/or the Mezzanine Noteholders and/or the Class M Noteholders, as the case may be.

## 2. THE MEETING OF NOTEHOLDERS

### 2.1 General

(a) Any resolution passed at a Meeting of the holders of the Relevant Class(es) of Notes, duly convened and held in accordance with these Rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

(b) Subject to the proviso of Article 2.17 (*Powers exercisable by Extraordinary Resolution*):

(i) 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, the Class C Noteholders, and the Class M Noteholders;

(ii) any resolution passed at a Meeting of the Class B Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Class C Noteholders and the Class M Noteholders; and

(iii) any resolution passed at a Meeting of the Class C Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Class M Noteholders,

and, in each case, all the Noteholders of the Relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such 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,

provided, however, that:

(A) to the extent that any Class A Note is then outstanding, no resolution of the Class B Noteholders, the Class C Noteholders or the Class M Noteholders shall be effective unless (I) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or (II) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Class A Noteholders;

(B) to the extent that any Class B Note is then outstanding, no resolution of the Class C Noteholders or the Class M Noteholders shall be effective unless (I) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class B Noteholders or (II) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Class B Noteholders; and

(C) to the extent that any Class C Note is then outstanding, no resolution of the Class M Noteholders shall be effective unless (I) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class C Noteholders or (II) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Class C Noteholders.

(c) Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer in accordance with the Condition 17 (*Notices*) and given to the Principal Paying Agent (with a copy to the Issuer, the Representative of the Noteholders and the Rating Agencies) within 14 (fourteen) days of the conclusion of the Meeting but failure to do so shall not invalidate the resolution.

(d) Subject to the provisions of these Rules and the Conditions, joint Meetings of the Senior Noteholders, the Mezzanine Noteholders and the Class M Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

(e) The following provisions shall apply while Notes of two or more Relevant Classes of Notes are outstanding:

(i) business which involves the passing of an Extraordinary Resolution involving a Basic Terms Modification shall be transacted at a separate Meeting of the Noteholders of all Relevant Classes of Notes;

(ii) business which, in the opinion of the Representative of the Noteholders, affects only one Relevant Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Relevant Class of Notes;

(iii) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted either at separate Meetings of the holders of each such Relevant Class of Notes or at a single Meeting of the holders of each of such Relevant Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion;

(iv) business which, in the opinion of the Representative of the Noteholders, affects more than one Relevant Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Relevant Class of Notes and the holders of any other Relevant Class of Notes shall be transacted at separate Meetings of the holders of each Relevant Class of Notes; and

(v) in the case of separate Meetings of the holders of each Relevant Class of Notes, these Rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the Relevant Class of Notes and to the holders of such Notes and, in the case of joint Meetings, as if references to the Notes and the Noteholders were to the Notes of each of the Relevant Classes of Notes and to the respective holders of the Notes.

(f) In this paragraph "business" includes (without limitation) the passing or rejection of any resolution.

(g) For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or the Mezzanine Notes and/or any other rights of the Senior Noteholders and/or the Mezzanine Noteholders may be passed at a Meeting of the Class M Noteholders without any sanction being required by the holders of any other Relevant Class of Notes.

**2.2 Issue of Voting Certificates and Block Voting Instructions**

Noteholders may obtain a Voting Certificate from the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, or require the Principal Paying Agent to obtain a Block Voting Instruction by arranging for their Notes to be blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, providing to the Principal Paying Agent, where appropriate, evidence that the Notes are so blocked. The Noteholders may obtain such evidence by, *inter alia*, requesting the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (a) the practices and procedures of the relevant clearing system; or (b) Regulation 13 August 2018, as subsequently amended and supplemented. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

**2.3 Validity of Block Voting Instructions**

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Representative of the Noteholders, or at some other place approved by the Representative of the

Noteholders, at least 24 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, and, if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

**2.4 Convening of Meeting**

(a) Subject to paragraph (b) below, the Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the Representative of the Noteholders shall be obliged to do so upon the request in writing by, and at the costs of, the Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the Relevant Class of Notes.

(b) A Disenfranchised Noteholder shall not be entitled to request to convene a Meeting in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the threshold set out in paragraph (a) above.

(c) Whenever any one of the Issuer or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice in writing to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) of the date thereof and of the nature of the business to be transacted thereat.

(d) Subject to as provided for in Article 6.1 (*Notice of meeting*), every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approve..

(e) Unless the Representative of the Noteholders decides otherwise pursuant to Article 2.1 (General), each Meeting shall be attended by Noteholders of the Relevant Class of Notes.

(f) Meetings may be held via audio-conference or video-conference where Voters are located at different places, provided that:

(i) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

(ii) the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

(iii) each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

(iv) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and

(v) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes are located.

**2.5 Notice**

(a) 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 Noteholders and the Principal Paying Agent (with a copy to the Issuer, the Representative of the

Noteholders and the Rating Agencies). Any notice to Noteholders shall be given in accordance with Condition 17 (*Notices*).

(b) The notice shall specify the nature of the resolutions to be proposed and shall explain how Noteholders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

**2.6 Chairman of the Meeting**

(a) Any individual (who may, but need not to, be a Voter) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but if: (i) no such nomination is made; or (ii) the individual nominated is not present within 15 (fifteen) minutes of the time fixed for the Meeting; then, the Voters shall choose 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.

(b) The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

**2.7 Quorum**

(a) Subject to paragraph (b) below, the quorum at any Meeting shall be at least one Voter representing or holding not less than the Relevant Fraction relative to (i) that Relevant Class of Notes (in the case of a Meeting of one Relevant Class of Notes) or (ii) the Relevant Classes of Notes (in the case of a joint Meeting). No business (except choosing a Chairman, if requested) shall be transacted at a Meeting unless a quorum is present at the commencement of business.

(b) A Disenfranchised Noteholder shall not be entitled to participate to a Meeting in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the quorum set out in paragraph (a) above.

**2.8 Adjournment for want of quorum**

If, within 15 (fifteen) minutes of the time fixed for any Meeting a quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, it shall be adjourned (i) until such date (which shall be not less than 14 (fourteen) days and not more than 42 (fourty-two) days later) and to such place as the Chairman determines or (ii) on the date and at the place indicated in the notice convening the Meeting (if such notice sets out the date and place of any adjourned Meeting);

provided, however, that in any case:

(i) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders so decides; and

(ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

**2.9 Adjourned Meeting**

Without prejudice to Article 2.8 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but 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.

**2.10 Notice following adjournment**

Article 2.5 (*Notice*) shall apply to any Meeting adjourned for want of quorum, save that:

(a) at least 10 (ten) 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 given; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of an adjourned Meeting (i) if the notice given in respect of the first Meeting already sets the time and place for an adjourned Meeting and specifies the quorum requirements which will apply when the Meeting resumes; or (ii) if the Meeting has been adjourned for any other reason.

**2.11 Participation**

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Principal Paying Agent;

(c) the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders, and the Principal Paying Agent; and

(f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

**2.12 Passing of resolution**

(a) Subject to paragraph (b) below, a resolution is validly passed when (i) in respect of an Extraordinary Resolution only, three-quarters of votes cast by the Voters attending the relevant Meeting have been cast in favour of it or (ii) in respect of any resolution other than an Extraordinary Resolution, the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

(b) A Disenfranchised Noteholder shall not be entitled to vote on a resolution in respect of any Disenfranchised Matter. It is understood that the Notes held by such Disenfranchised Noteholder shall be treated as if it were not outstanding and shall not be counted in or towards the quorum set out in paragraph (a) above.

**2.13 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 holding or representing at least 2 (two) per cent. of (a) the Principal Amount Outstanding of that Relevant Class of Notes (in the case of a meeting of a particular Relevant Class of Notes), or (b) the Principal Amount Outstanding of the Relevant Classes of Notes (in the case of a joint Meeting). 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.

**2.14 Votes**

(a) Every Voter shall have one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

(b) In the case of equality of votes, the Chairman shall have a casting vote in addition to the votes (if any) to which he may be entitled as a Voter.

(c) Unless the terms of any Block Voting Instruction 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.

**2.15 Vote by Proxies**

Any vote cast by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Representative of the Noteholders or the Issuer has not been notified by the Principal Paying Agent in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment.

**2.16 Exclusive powers of the Meeting**

(a) Subject to paragraph (b) below, the Meeting shall have exclusive powers on the following matters:

(i) to approve any Basic Terms Modification;

(ii) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(iii) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(iv) to direct the Representative of the Noteholders to serve a Trigger Notice under Condition 12.2 (*Delivery of Trigger Notice*);

(v) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute a Trigger Event;

(vi) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(vii) 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, other than in accordance with the Transaction Documents; and

(viii) to appoint and remove the Representative of the Noteholders.

**2.17 Powers exercisable by Extraordinary Resolution**

Without limitation to the exclusive powers of the Meeting listed in Article 2.16 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or 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, the Conditions, or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the 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, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) to appoint and remove the Representative of the Noteholders;

(e) approval of the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(f) without prejudice to the Conditions, approval of any alteration of the provisions contained in these Rules, the Notes, the Conditions, the Intercreditor 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;

(g) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these Rules, the Notes, the Conditions or any other Transaction Document;

(h) giving any direction or granting any authority or sanction which under the provisions of these Rules, the Conditions or the Notes is required to be given or granted by Extraordinary Resolution;

(i) authorisation and sanctioning of actions of the Representative of the Noteholders under these Rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and

(j) authorising and directing the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution,

provided, however, that:

(a) no Extraordinary Resolution involving a Basic Terms Modification passed by the holders of the Relevant Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes (to the extent that Notes of each such Relevant Classes of Notes are then outstanding);

(b) no Extraordinary Resolution of the Class M Noteholders shall be effective unless (i) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding) or (ii) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders and/or the Mezzanine Noteholders (to the extent that there are Senior Notes and/or Mezzanine Notes, respectively, then outstanding); and

(c) no Extraordinary Resolution of the Mezzanine Noteholders shall be effective unless (i) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Senior Noteholders (to the extent that there are Class A Notes then outstanding) or (ii) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders (to the extent that there are Senior Notes then outstanding).

**2.18 Challenge of resolution**

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these Rules.

**2.19 Minutes**

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

**2.20 Written Resolution**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or a resolution other than an Extraordinary Resolution, as the case may be.

**2.21 Individual actions and remedies**

(a) The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(i) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(ii) the Representative of the Noteholders will, within 30 (thirty) days of receiving such notification, convene a Meeting of the Noteholders of the Relevant Class(es) of Notes in accordance with these Rules at the expense of such Noteholder;

(iii) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(iv) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

(b) No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 2.21.

## 3. THE REPRESENTATIVE OF THE NOTEHOLDERS

### 3.1 Appointment, removal and remuneration

(a) Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Relevant Class of Notes in accordance with the provisions of this Article 3.1, save in respect of the appointment of the first Representative of the Noteholders, which will be Banca Finint S.p.A.

(b) Save for Banca Finint S.p.A. as first Representative of the Noteholders, the Representative of the Noteholders shall be:

(i) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(ii) a financial institution registered under article 106 of the Consolidated Banking Act; or

(iii) 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.

(c) It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian civil code cannot be appointed as the Representative of the Noteholders.

(d) The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Relevant Class of Notes at any time.

(e) In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraphs (i), (ii) or (iii) above and, provided that a Meeting of the holders of each Relevant Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the 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.

(f) Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

(g) The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

**3.2 Duties and powers**

(a) The Representative of the Noteholders is the 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**).

(b) Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders as a class of Notes as towards the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

(c) All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions 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 it expedient (in its absolute discretion), whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions 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 in the interests of the Noteholders, provided that the Representative of the Noteholders shall give written notice to the Rating Agencies of any such delegation. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of such delegate's misconduct or default, unless the Representative of the Noteholders has been negligent in the selection of the 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 of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

(d) The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including proceedings involving the Issuer in creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

(e) The Representative of the Noteholders shall have regard to the interests of all the Noteholders and the Other Issuer Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these Rules, the Intercreditor Agreement or under the Mandate Agreement (except where expressly provided otherwise), but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only: (i) of the Most Senior Class of Notes outstanding, and (ii) subject to item (i), of whichever Noteholder and Other

Issuer Creditor ranks higher in the Priority of Payments hereof for the payment of the amounts therein specified if, in its opinion, there is or may be a conflict between all or any of the interests of the holders of one or more Relevant Class of Notes or between the holders of one or more Relevant Class of Notes and any Other Issuer Creditors. The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments.

(f) Each Noteholder by acquiring title to a Note agree and acknowledge that:

(i) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the holders of each Relevant Class of Notes, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer or to take any steps against the Issuer or any of the other Transaction Parties for the purposes of enforcing the rights of the holders of each Relevant Class of Notes with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;

(ii) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under these Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Consolidated Banking Act or otherwise, unless (in each case under paragraphs (i), (ii), (iii) and (iv) above) (A) a Trigger Notice shall have been served or an Insolvency Event shall have occurred and (B) the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(iii) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian civil code; and

(iv) the provisions of this Clause 3.2 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

**3.3 Resignation of the Representative of the Noteholders**

The Representative of the Noteholders may resign at any time, upon giving not less than 3 (three) calendar months' notice in writing to the Issuer, without assigning any reason therefor and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Relevant Class of Notes has appointed a new Representative of the Noteholders, provided that, if a new Representative of the Noteholders has not been so appointed within 60 (sixty) days of the date of

such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders.

**3.4 Exoneration of the Representative of the Noteholders**

(a) The Representative of the Noteholders shall not assume, and shall not be responsible for, any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

(b) Without limiting the generality of the foregoing, the Representative of the Noteholders:

(i) shall not be 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 or any Noteholder 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 or such other event, condition or act has occurred;

(ii) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other Transaction Party of the provisions of, and its 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 such other party is observing and performing all such provisions and obligations;

(iii) shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(iv) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (A) the nature, status, creditworthiness or solvency of the Issuer or any other Transaction Party; (B) 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 or with any Transaction Document; (C) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (D) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; or (E) any accounts, books, records or files maintained by the Issuer, the Servicer, the Principal Paying Agent or any other person in respect of the Receivables;

(v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes, or the distribution of any of such proceeds, to the persons entitled thereto;

(vi) shall have no responsibility for (i) the maintenance of any rating of the Rated Notes by the Rating Agencies or any other credit or rating agency or any other person; and (ii) the maintenance of the Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended) of the Class A Notes;

(vii) shall not be 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 in any Transaction Document;

(viii) shall not be bound or concerned to examine, or enquire into, or be liable for, any defect or failure in the right or title of the Issuer to the Receivables 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;

(ix) shall not be liable for any failure, omission or defect in registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(x) shall not be under any obligation to insure the Receivables or any part thereof;

(xi) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priority of Payments;

(xii) shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual 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; and

(xiii) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

(c) The Representative of the Noteholders, notwithstanding anything to the contrary contained in these Rules:

(i) may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these Rules, the Conditions (other than a Basic Terms Modification) or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature to correct a manifest error or an error which is, in the opinion of the Representative of the Noteholders, proven or is necessary or desirable for the purposes of clarification or is made to comply with a mandatory provision of law. Any such amendment or modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such amendment or modification to be notified to the Noteholders as soon as practicable thereafter;

(ii) may, without the consent of the Noteholders, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these Rules, the Conditions or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be proper to make, provided that the Representative of the Noteholders is of the opinion that such amendment or

modification will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes;

(iii) may, without the consent of the Noteholders or any Other Issuer Creditor, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class of Notes will not be materially prejudiced by such authorisation or waiver; provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution, or of a request in writing made by the holders of not less than 25 (twenty-five) per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification;

(iv) may act on the advice, certificate, opinion (whether or not such opinion is addressed to the Representative of the Noteholders and whether or not such opinion contains a monetary or other limit on the liability of the provider of such opinion) or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert of international repute, whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission 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, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;

(v) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, 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 as a result of acting on such certificate;

(vi) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise, or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*);

(vii) shall be at liberty to leave in custody these Rules, the Transaction Documents and any other documents relating thereto or to the Notes in any part of the world with any bank, financial institution or company of international repute whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers of international repute, and the Representative of the Noteholders shall not be responsible for, or required to insure against, any loss incurred in connection with any such custody, and may pay all sums required to be paid on account of, or in respect of, any such custody;

(viii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, is entitled to convene a Meeting of the Noteholders of any or all Relevant Classes of Notes in order to obtain instructions as to 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. The Representative of the Noteholders shall not be obliged to take any action in respect of these Rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action;

(ix) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Relevant Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so 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 relevant Noteholders;

(x) may call for, and shall be at liberty to accept and place full reliance on 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 principal amount of Notes;

(xi) may certify whether or not a Trigger Event is, in its opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class of Notes and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;

(xii) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any relevant person;

(xiii) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit, of the Issuer;

(xiv) shall be entitled to 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, any Other Issuer Creditor or any of the Rating Agencies in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Rated Notes 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 incurred by its failing to do so; and

(xv) may, in determining whether the exercise of any power, authority, duty or discretion under or in relation hereto or to the Notes, the Conditions or any Transaction Document, is materially prejudicial to the interests of the Noteholders, contact the Rating Agencies so to assess whether the then current ratings of the Rated Notes would not be downgraded, withdrawn or qualified

and have regard to any other confirmation which it considers, in its sole and absolute discretion, as necessary and/or appropriate.

(d) Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

(e) No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, 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 powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified or pre-funded against any loss or liability which it may incur as a result of such action.

**3.5 Additional modifications**

Notwithstanding the provisions of these Rules, the Representative of the Noteholders shall be obliged, without any consent or sanction of the Noteholders or any of the Other Issuer Creditors, to concur with the Issuer or any other relevant parties in making any modification (other than in respect of a Basic Terms Modification) to the Conditions or any other Transaction Document that the Issuer considers necessary, for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the ECB Guideline (EU) 2015/510, as amended), for the purposes of maintaining such eligibility, provided that the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect (the certificate to be provided by the Servicer on behalf of the Issuer pursuant this Article 3.5 being a **Modification Certificate**).

The Representative of the Noteholders is only obliged to concur with the Issuer in making any modification for the purposes referred to in this Article 3.5 if the following conditions have been satisfied (the **Modification Conditions**):

(a) at least 30 (thirty) days' prior written notice of any such proposed modification has been given to the Representative of the Noteholders;

(b) the Modification Certificate in relation to such modification shall be provided to the Representative of the Noteholders both at the time the Representative of the Noteholders is notified of the proposed modification and on the date that such modification takes effect;

(c) the Issuer provides the Representative of the Noteholders with such legal opinions as the Representative of the Noteholders considers necessary in connection with the implementation of such modifications;

(d) the consent of each Other Issuer Creditor which is party to the relevant Transaction Document and any other Other Issuer Creditor which has a right to consent to such modification pursuant to the provisions of the Transaction Documents has been obtained;

(e) the person who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Representative of the Noteholders in connection with such modification;

(f) the Issuer, or the Servicer on its behalf, certifies to the Representative of the Noteholders (which certification may be in the Modification Certificate) that the proposed modification is not, in the reasonable opinion of the Issuer or Servicer (as applicable) formed on the basis of due consideration, a modification in respect of a Basic Terms Modification;

(g) either:

(i) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) and delivers a copy of such confirmation to the Issuer and the Representative of the Noteholders; or

(ii) the Servicer, on behalf of the Issuer, certifies in the Modification Certificate that it has notified each of the Rating Agencies of the proposed modification and, in the Servicer's reasonable opinion, the relevant modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by any Rating Agency or (y) any Rating Agency placing the Rated Notes on rating watch negative (or equivalent); and

(h) (I) the Issuer (or the Servicer on its behalf) certifies in writing to the Representative of the Noteholders (which certification may be in the Modification Certificate) that, in relation to such modification, the Issuer (or the Principal Paying Agent on its behalf) has provided at least 30 (thirty) days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 17 (*Notices*) specifying the date and time by which Noteholders must respond and has made available, at the time of publication, the modification documents for inspection at the registered office of the Representative of the Noteholders for the time being during normal business hours and (II) Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer and the Principal Paying Agent in accordance with the then current practice of the clearing system through which such Notes may be held notifying them by the time specified in such notice that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have notified the Issuer and the Principal Paying Agent, in accordance with the notice and the then current practice of any applicable clearing system through which such Notes may be held, by the time specified in such notice that they do not consent to the modification referred to above, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class of Noteholders is passed in favour of such modification in accordance with the Rules of the Organisation of the Noteholders.

Objections made in writing other than through the clearing systems must be accompanied by evidence to the Representative of the Noteholders' satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Any modification made in accordance with this Article 3.5 shall be binding on all Noteholders and shall be notified by the Issuer (or the Principal Paying Agent on its behalf) without undue delay to, so long as any of the Rated Notes remains outstanding, each Rating Agency and, in any event, the Other Issuer Creditors and the Noteholders in accordance with Condition 17 (*Notices*).

The Representative of the Noteholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders, would have the effect of (i) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or

secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Representative of the Noteholders in the Transaction Documents and/or the Terms and Conditions.

### 3.6 Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any of the Other Issuer Creditors and without any obligation first to make demand upon the Noteholders or the Other Issuer Creditors, all adequately documented Liabilities properly incurred by or claimed against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the preparation and execution of, the exercise or the purported exercise of its powers, authority and discretion and performance of its duties under, and in any other manner in relation to, these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, in each case, including but not limited to, legal and travelling expenses (properly incurred and documented), and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, 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*) on the part of the Representative of the Noteholders or the above-mentioned appointed person.

## 4. THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER NOTICE

### 4.1 Powers

(a) It is hereby acknowledged that, upon service of a Trigger Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Receivables. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, also pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant Transaction Parties.

(b) In particular and without limiting the generality of the foregoing, following the service of a Trigger Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(i) to request the Account Bank to transfer all monies standing to the credit of the Collections Account, the Payments Account, the Principal Funds Account, the Interest Funds Account, the Expenses Account and the Cash Reserve Account to, respectively, a replacement Collections Account, a replacement Payments Account, a replacement Principal Funds Account, a replacement Interest Funds Account, a replacement Expenses Account and a replacement Cash Reserve Account opened for such purpose by the Representative of the Noteholders with a replacement Account Bank which is an Eligible Institution;

(ii) to request the Account Bank to transfer the Eligible Investments consisting of securities from time to time standing to the credit of the Securities Account, to, respectively, a replacement Securities Account opened for such purpose by the Representative of the Noteholders with a replacement Account Bank which is an Eligible Institution;

(iii) to request any party to the Transaction Documents to pay any monies or securities payable or deliverable to the Issuer to the credit of an account opened pursuant to paragraph (i) or (ii) above;

(iv) to require performance by any Other Issuer Creditor of its obligations under the relevant Transaction Document to which such Other Issuer Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Other Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the Receivables and the Issuer's Rights;

(v) to instruct the Servicer in respect of the recovery of the Issuer's Rights;

(vi) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted hereunder in respect of the relevant Accounts) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its discretion, deem appropriate and to apply the proceeds in accordance with the Post-Acceleration Priority of Payments; and

(vii) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraphs (i) and (ii) above to the Noteholders in accordance with the applicable Priority of Payments. For the purposes of this Article 4.1, all the Noteholders irrevocably appoint, as from the date hereof and with effect on the date on which the Notes will become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders from and including the date on which the Notes will become due and payable and to apply such monies in accordance with the applicable Priority of Payments.

## 5. GOVERNING LAW AND JURISDICTION

### 5.1 Governing law and jurisdiction

(a) These Rules and any non-contractual obligations arising out of, or in connection with, them are governed by, and will be construed in accordance with, the laws of Italy.

(b) All disputes arising out of or in connection with these Rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

## USE OF PROCEEDS

The aggregate net proceeds arising out of the subscription of the Notes will be € 228,200,000.

The net proceeds of the subscription of the Notes shall be used by the Issuer on the Issue Date:

(a) to pay € 224,987,745.27 to the Originator the Advance Purchase Price of the Initial Pool (subject to any set-off *pro tanto* with the amount to be paid by the Originator to the Issuer on the Issue Date as subscription moneys in respect of the Notes pursuant to the Subscription Agreement);

(b) to credit € 3,150,000 to the Cash Reserve Account (by applying part of the proceeds of the issue of the Class M Notes); and

(c) to credit € 62,254.73 to the Principal Funds Account.

A portion of the Income Collections transferred from the Collections Account to the Interest Funds Account on the Issue Date will be applied to credit € 100,000 to the Expenses Account.

# THE ISSUER

## Introduction

The Issuer was incorporated on 23 May 2019 by deed of the Notary Degan in Conegliano, Italy and registered in the register of companies of Treviso-Belluno on 29 May 2019 as a limited liability company with sole quotaholder (*società a responsabilità limitata con socio unico*) pursuant to Article 3 of the Securitisation Law under the name "Asset-Backed European Securitisation Transaction Eighteen S.r.l.". The Issuer's by-laws provides for termination of the same on 31 (thirty-one) December 2100 (two thousand and one hundred). The registered office of the Issuer is Via Vittorio Alfieri, 1, 31015 Conegliano (TV) Italy, the fiscal code and number of enrolment with the companies register of Treviso-Belluno is 05021340269. The Issuer has no employees and no subsidiaries. The Issuer's telephone number is +39 0438 360926. The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration no. 35739.2. The legal entity identifier (LEI) of the Issuer is 81560035635AD2B19A53. Further information on the Issuer is available on the website of the Corporate Servicer (being, as at the date of this Prospectus, https://www.securitisation-services.com/en/), provided that the information on such website does not form part of this Prospectus.

The authorised and issued quota capital of the Issuer is Euro 10,000.00, fully paid up and held by Stichting Tognazzi. The corporate capital of the Quotaholder is not directly or indirectly controlled by any other entity.

Since the date of its incorporation, the Issuer has not commenced operations other than those incidental to its incorporation, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing.

The Issuer has not declared or paid any dividends or, save as otherwise described in paragraph "*Capitalisation and indebtedness statement*" below, incurred any indebtedness.

## Issuer's principal activities

The sole corporate object of the Issuer as set out in article 4 of its by-laws (*statuto*) is to perform securitisation transactions (*operazioni di cartolarizzazione*) and issue asset backed securities in compliance with the Securitisation Law.

The Issuer was established as a special-purpose vehicle for the purpose of issuing asset backed securities and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in Condition 5 (*Issuer Covenants*). The Issuer operates under the law of Italy.

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

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

**Sole Director and Statutory Auditors**

The current sole director of the Issuer is the company Blade Management S.r.l., whose natural person designated is Costariol Tommaso, appointed by the Quotaholder from the date of incorporation until the date of resignation or revocation, a limited liability company with sole quotaholder providing services related to securitisation transactions. The domicile of Blade Management S.r.l., in its capacity of sole director of the Issuer, is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy.

There are no relevant activities carried out (other than that of sole director) by the sole director to be reported.

No statutory auditors have been appointed in respect of the Issuer.

**The Quotaholder Agreement**

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

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

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year ended on 31 December 2020.

**Capitalisation and indebtedness statement**

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

| **Quota capital** | **Euro** |
|---|---|
| Issued, authorised and fully paid up quota capital | 10,000 |
| **Loan Capital** | **Euro** |
| Class A Asset-Backed Fixed Rate Notes due November 2033 | 201,000,000 |
| Class B Asset-Backed Fixed Rate Notes due November 2033 | 7,200,000 |
| Class C Asset-Backed Fixed Rate Notes due November 2033 | 8,000,000 |
| Class M Asset-Backed Fixed Rate Notes due November 2033 | 12,000,000 |
| **Total loan capital (euro)** | 228,200,000 |
| **Total capitalisation and indebtedness (euro)** | 228,210,000 |

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

**Financial statements and auditors**

The Issuer's accounting reference date is 31 December in each year. As at the date of this Prospectus, no financial statements are available and no auditors have been appointed. According to the Quotaholder Agreement, the Issuer will give notice to the Luxembourg Stock Exchange in the event the auditors will be appointed.

## BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by a strong universal bank. It provides integrated solutions to all participants in the investment cycle including the buy-side, sell-side, corporates and issuers.

BNP Paribas Securities Services has a local presence in 35 countries across five continents, effecting global coverage of more than 90 markets, acting by means of its local branches, including BNP Paribas Securities Services, Milan branch.

At June 2020 BNP Paribas Securities Services has USD 11,343 billion of assets under custody, USD 2,745 billion assets under administration; 10,805 administered funds and more than 12,000 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A+" (negative) from S&P's, "Aa3" (stable) from Moody's France SAS and "A+" (RWN) from Fitch Ratings.

| Fitch | Moody's | S&P |
|---|---|---|
| Short term F1 | Short term Prime-1 | Short-term A-1 |
| Long term senior debt A+ | Long term senior debt Aa3 | Long term senior debt A+ |
| Outlook negative | Outlook Stable | Outlook negative |

BNP Paribas Securities Services, Milan branch has offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, and registered with the companies register held in Milan, at number 13449250151, fiscal code and VAT number 13449250151 and enrolled in register of banks held by the Bank of Italy at number 5483.

Under the Securitisation, BNP Paribas Securities Services, Milan branch will act as Account Bank and Principal Paying Agent.

***The information contained herein relates to BNP Paribas Securities Services, Milan branch 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 BNP Paribas Securities Services, Milan branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## BANCA FININT

Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A. is a bank incorporated under the laws of Italy as a "società per azioni", with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

In the context of the Securitisation, Banca Finint acts as Calculation Agent, Corporate Administrator and Representative of the Noteholders.

***The information contained herein relates to Banca Finint S.p.A. 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 Banca Finint S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## ZENITH SERVICE

Zenith Service S.p.A. is a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Betteloni, 2, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Milan - Monza - Brianza - Lodi under number 02200990980, with a share capital of Euro 2,000,000 fully paid-up, registered with the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under number 30, ABI Code 32590.2.

Zenith Service is under the guidance and coordination of Arrow Global Group PLC, a company regulated by "Financial Conduct Authority".

Zenith Service is a professional Italian player focusing in managing and monitoring securitisation transactions. In particular, it acts as servicer, master and back-up servicer, back-up servicer facilitator, corporate servicer, calculation agent, cash manager and representative of the noteholders in several structured finance transactions.

In the context of the Securitisation, Zenith Service will act as Back-up Servicer Facilitator.

***The information contained herein relates to Zenith Service S.p.A. 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 Zenith Service S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

### The Master Receivables Purchase Agreement and the Initial Purchase Agreement

On 27 October 2020 (the **Initial Execution Date**), the Originator and the Issuer entered into the Master Receivables Purchase Agreement setting out the terms and conditions for the assignment by the Originator without recourse (*pro soluto*) to the Issuer, in accordance with articles 1 and 4 of the Securitisation Law and the provisions of the Factoring Law referred to under such articles, of pools of monetary receivables and other connected rights arising under the Lease Agreements, together with any ancillary rights and Collateral Security relating thereto, with economic effect from (and including) the relevant Pool Transfer Effective Date. On the Initial Execution Date, pursuant to the terms of the Master Receivables Purchase Agreement, the Originator assigned without recourse (*pro soluto*) to the Issuer an initial pool of monetary receivables and other connected rights (the **Initial Receivables** and the **Initial Pool**) arising under the Lease Agreements, together with any ancillary rights and Collateral Security relating thereto with economic effect from (and including) the Initial Pool Transfer Effective Date and legal effect from (and including) the relevant Completion Date. Pursuant to the Master Receivables Purchase Agreement, during the Revolving Period, the Originator may offer on a monthly basis to the Issuer, Additional Pools and, provided that (i) the relevant offer meets the Cumulative Portfolio Limits contained in the Master Receivables Purchase Agreement, and (ii) none of the Purchase Termination Events has occurred, the Issuer will purchase, without recourse (*pro soluto*) in accordance with articles 1 and 4 of the Securitisation Law and the provisions of the Factoring Law referred to under such articles, additional pools of monetary receivables and other connected rights arising under the Lease Agreements, together with any ancillary rights and Collateral Security relating thereto with economic effect from (and including) the relevant Pool Transfer Effective Date and legal effect from (and including) the relevant Completion Date (the **Additional Receivables** and the **Additional Pools**; the Initial Receivables and the Additional Receivables, together, the **Receivables**; the Initial Pool and the Additional Pools, together, the **Portfolio**).

The transfer of the Receivables included in the Initial Pool has been rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 128 Part II of 31 October 2020, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 29 October 2020. The transfer of the Receivables included in each Additional Pool will be rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through the annotation of the monies received from the Issuer as Advance Purchase Price for the relevant Additional Pool on the Originator's account into which they have been paid, in order for the relevant payment to bear date certain at law (data certa) in accordance with the provisions of article 2, paragraph 1, letter b), of Legislative Decree no. 170 of 21 May 2004.

The Advance Purchase Price payable pursuant to the Master Receivables Purchase Agreement for each Pool shall be equal to the Instalment Principal Amounts of the Receivables (other than the Instalment Principal Amounts of the Residual Optional Instalments) comprised in each Pool and not yet due as at the relevant Pool Transfer Effective Date (excluded).

Under the Master Receivables Purchase Agreement, the Originator has undertaken to select Receivables which comply with the Eligibility Criteria and the Cumulative Portfolio Limits as at the relevant Pool Transfer Effective Date. For further details, see the section entitled "*The Portfolio*".

If, after the Completion Date of a Pool, (i) it results that a Receivable included in the relevant List of Receivables did not comply with the Eligibility Criteria as at the relevant Pool Transfer Effective Date and, therefore, it should not have been transferred to the Issuer (the **Non-Eligible Receivable**) or (ii) it results that

the Cumulative Portfolio Limits have not been complied with as at the relevant Pool Transfer Effective Date, and the Issuer and the Originator have identified in good faith the Receivables included in such Pool which have caused the breach of the Cumulative Portfolio Limits (each, a **Non-Compliant Receivable**), the Originator shall repurchase the Non-Eligible Receivable or the Non-Compliant Receivable, as the case may be, from the Issuer in accordance with the terms and conditions set out in the Master Receivables Purchase Agreement.

The Advance Purchase Price of the Initial Pool will be paid by the Issuer to the Originator on the Issue Date using the proceeds of the issue of the Notes. In addition, the Residual Optional Instalment Purchase Price of the Receivables comprised in the Initial Pool will be due by the Issuer to the Originator only if and to the extent the Issuer actually collects proceeds from the exercise by a Lessee of the option to purchase the relevant Car or from the sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease).

The Advance Purchase Price of each Additional Pool will be paid by the Issuer to the Originator on the Payment Date immediately following the relevant Completion Date, using the Principal Available Funds applicable for such purpose in accordance with the Pre-Acceleration Principal Priority of Payments. In addition, the Residual Optional Instalment Purchase Price of the Receivables comprised in each Additional Pool will be due by the Issuer to the Originator on or prior to the Payment Date following the date on which the Issuer actually collects proceeds from the exercise by a Lessee of the option to purchase the relevant Car or from the sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease), only to the extent and within the limits of such proceeds.

In addition, on each Payment Date the Originator may receive, as Deferred Purchase Price, an amount equal to any Issuer Available Funds remaining after making all payments ranking in priority to the payment of such amount in accordance with the applicable Priority of Payments.

The Master Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. These include undertakings to refrain from conducting activities with respect to the Receivables which may adversely affect the Receivables and the relevant Collateral Securities and, in particular, not to assign or transfer the whole or any part of the Receivables to any third party, not to create or allow to be created, to arise or to exist any Security Interest or other right in favour of any third party in respect of the Receivables between the relevant Pool Transfer Effective Date and the date of perfection of the assignment and to transfer promptly to the Issuer all amounts received by the Originator from or in respect of the Receivables comprised in the relevant Pool. The Originator has also undertaken not to terminate or withdraw from, and not to amend any term or condition of the Lease Agreements or the relevant Collateral Securities, unless permitted by the Servicing Agreement.

Under the terms of the Master Receivables Purchase Agreement, the Originator has been given an option right pursuant to article 1331 of the Italian civil code, exercisable on any date following the occurrence of a Clean-up Call Event or a Tax Call Event, to repurchase *pro soluto* in whole (but not part) the Portfolio from the Issuer, subject to the occurrence of certain conditions set forth in the Master Receivables Purchase Agreement. The purchase price of the Receivables comprised in the Portfolio to be repurchased *pro soluto* from the Issuer will be equal to the Final Repurchase Price.

Under the terms of the Master Receivables Purchase Agreement, the Originator can offer to repurchase *pro soluto* one or more Receivables comprised in the Portfolio from the Issuer and the Issuer, subject to the occurrence of certain conditions set forth in the Master Receivables Purchase Agreement, can accept to retransfer such Receivables to the Originator, provided that:

(i) the Outstanding Principal, as at the end of the immediately preceding Collection Period, of the Receivables subject to repurchase (excluding the Residual Optional Instalments) - plus the aggregate

Outstanding Principal, as at the end of the immediately preceding Collection Period, of the Receivables already repurchased (excluding the Residual Optional Instalments) - shall not exceed: (a) during the Revolving Period, 5 per cent of the aggregate Outstanding Principal, as at the Initial Pool Transfer Effective Date, of all Receivables comprised in the Initial Pool (excluding the Residual Optional Instalments); and (b) during the Amortisation Period, 7 per cent. of the aggregate Outstanding Principal, as at the Initial Pool Transfer Effective Date, of all Receivables comprised in the Initial Pool (excluding the Residual Optional Instalments);

(ii) the Originator has delivered to the Issuer the following certificates:

(A) a solvency certificate signed by a director or other authorised officer of the Originator, in the form attached to the Master Receivables Purchase Agreement as schedule 5 (Form of Solvency Certificate), dated no earlier than 5 (five) Business Days prior to the date of payment of the relevant Individual Repurchase Price (as defined below); and

(B) a good standing certificate issued by the competent companies' register (certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura), dated no earlier than 5 (five) Business Days prior to the date of payment of the relevant repurchase price, stating that the Originator is not subject to any insolvency proceeding.

Pursuant to the Master Receivables Purchase Agreement, the repurchase price of each Receivable will be equal to: (i) in respect of any Receivable (other than a Defaulted Receivable or a Deliquent Receivable) that has 2 (two) or more unpaid Instalments), the Outstanding Balance of such Receivable (excluding the Residual Optional Instalment), as at the date of repurchase; or (ii) in respect of a Defaulted Receivable or a Deliquent Receivable that has 2 (two) or more unpaid Instalments, the IFRS 9 Value of such Delinquent Receivable or Defaulted Receivable (excluding the Residual Optional Instalment).

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

**The Servicing Agreement**

On the Initial Execution Date, FCAB and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed FCAB to act as "Servicer" of the Receivables. In particular, the Servicer is responsible for the receipt of cash collections in respect of the Leases and the Receivables and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*) pursuant to the Securitisation Law and the relevant implementing regulations. The Servicer will carry out certain management, collection, recovery activities and services in relation to the Receivables in accordance with all applicable laws and regulations, the Credit and Collection Policies and pursuant to specific instructions that may be given by the Issuer or, subject to certain conditions set out in the Servicing Agreement, the Representative of the Noteholders from time to time. The Servicer will be entitled to delegate certain of its activities as Servicer pursuant to the Servicing Agreement but may not delegate the monitoring functions contained in article 2, paragraph 6-*bis* of the Securitisation Law. It will remain directly and solely responsible for the performance of all delegated duties and obligations and will be liable for the conduct of such delegated entity. Within the limits of article 2, paragraph 6-*bis*, of the Securitisation Law, the Servicer is also responsible for ensuring that such activities comply with the provisions and regulations of Italian law.

The Servicer has agreed to manage the Portfolio with the same diligence and care as if it were the owner of the relevant Receivables and to ensure that it is equipped at all times with the technical resources, hardware and software systems necessary for the efficient performance of the activities required to be performed by it. The Servicer may, at its own expense and liability, continue to use debt collection companies (*società di recupero crediti*) to perform the collection of the Receivables (including the management of Collection and Recoveries and the transfer of the same to the Issuer and the recovery procedures), sub-delegate to one or more other entities, duly authorised under any laws or regulations from time to time applicable, specific

activities provided for by the Servicing Agreement, subject to the limitations set out in the supervisory regulations of the Bank of Italy, with the prior notice to the Representative of the Noteholders and the Rating Agencies (provided that such notice is not required in case of delegation to perform purely operational and/or low technical activities).

In consideration of the performance of its obligations hereunder, the Issuer shall pay to the Servicer on each Payment Date, in accordance with the applicable Priority of Payments:

(i) with respect to the collection of the Receivables (other than the Defaulted Receivables and the Delinquent Receivables), a fee calculated in accordance with schedule 9 (*Collection Fee - Management Fee*) of the Servicing Agremeent;

(ii) with respect to the management, collection and recovery of the Defaulted Receivables and the Delinquent Receivables, a fee calculated in accordance schedule 9 (*Collection Fee - Management Fee*) (plus VAT, if applicable) of the Servicing Agremeent; and

(iii) with respect to the consulting, reporting, supervisory and technical assistance activities (other than those set out in paragraphs (i) and (ii) above), a monthly fee of Euro 500 (plus VAT, if applicable) payable in arrears on each Payment Date in accordance with the applicable Priority of Payments.

Save for any renegotiations made by the Servicer in compliance with mandatory provisions of law or acts having force of law, trade association agreements or guidelines or recommendation of authority, the Servicer shall be entitled to reschedule the amortisation plan of the Leases provided that:

(a) the aggregate Instalment Principal Amounts and Instalment Interest Amounts (excluding the Residual Optional Instalments) subject to rescheduling, as at the date on which the relevant rescheduling is made, shall not exceed 5 per cent. of the aggregate Instalment Principal Amounts and Instalment Interest Amounts (excluding the Residual Optional Instalments) of the Receivables comprised in the Initial Pool as at the Initial Pool Transfer Effective Date; and

(b) the maturity date of the relevant Leases shall not fall beyond 3 (three) years prior to the Final Maturity Date.

Under the Servicing Agreement, the Servicer (on behalf of the Issuer) is entitled to sell without recourse (*pro soluto*) to a third party one or more Defaulted Receivables (the **Disposal**), provided, *inter alia*, that:

(i) the Disposal may be made by the Servicer only if there are no alternative recovery methods that are more favourable for the Issuer and the Noteholders;

(ii) the Disposal shall be made without recourse (*pro soluto*), at risk of the purchaser (*a rischio e pericolo del compratore*) pursuant to article 1488, paragraph 2, of the Italian civil code, without any warranty by the Issuer (including, without limitation, any warranty as to the existence of such Defaulted Receivables, in derogation of article 1266, paragraph 1, of the Italian civil code);

(iii) the Disposal shall qualify as an aleatory contract (*contratto aleatorio*) pursuant to article 1469 of the Italian civil code;

(iv) the sale price of the Defaulted Receivables subject to Disposal will be equal to the market value of such Defaulted Receivables, as determined on the basis of the offers received from at least 2 (two) third party experts (including debt collection companies) which shall be independent from the Servicer, in accordance with the then prevailing market practice;

(v) the effectiveness of the Disposal will be subject to payment of the sale price by the purchaser;

(vi) the aggregate Outstanding Principal of the Defaulted Receivables subject to Disposal (excluding the Residual Optional Instalments) shall not exceed 2.00 per cent. of the Outstanding Principal of the Receivables comprised in each Pool (excluding the Residual Optional Instalments) as at the relevant Pool Transfer Effective Date (it being understood that, upon termination of the Revolving Period, the relevant threshold will remain the same applied on the latest Pool Transfer Effective Date), provided that Disposals may be made above such threshold only if the average recovery rate for all Defaulted Receivables included in the relevant Pool, in relation to which the recovery process has been completed, is greater than 15 per cent.

Pursuant to the Servicing Agreement, the Servicer has undertaken to perform during the whole period of validity of the Servicing Agreement, *inter alia*, the following activities:

(a) to monitor the fulfilment by each Lessee of its payment obligations under the relevant Lease or Collateral Security;

(b) to comply with the laws and regulations applicable in the Republic of Italy in carrying out activities under the Servicing Agreement and, in particular, to perform any activities provided by the relevant laws and regulations applicable in Italy in relation to the administration and collection of the Receivables, including, but not limited to, the applicable Bank of Italy's regulations.

The Servicer has agreed that the obligations of the Issuer under the Servicing Agreement are subordinated and limited recourse obligations and will be payable within the limits of the lowest of the amounts due by the Issuer to the Servicer and the amount which may be applied by the Issuer in making such payments in accordance with the applicable Priority of Payments.

The Servicer has undertaken to prepare and submit by e-mail or another agreed computer data transfer mechanism to the Issuer Daily Reports, Weekly Reports and Monthly Reports containing, a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio, for delivery to, *inter alios*, with respect to Daily Reports, the Issuer, the Account Bank and the Calculation Agent, with respect to Weekly Reports and Monthly Reports, the Issuer, the Account Bank, the Calculation Agent and, upon request, the Representative of the Noteholders. Copies of the Monthly Reports will also be sent to the Rating Agencies. The Monthly Report may be subsequently amended in order to include such further information as may be necessary in order for the Calculation Agent to prepare and deliver Investor Report pursuant to the Cash Allocation, Management and Payments Agreement in compliance with paragraph (e) of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards).

In addition, the Servicer has undertaken to prepare and deliver, by no later than each Quarterly Report Date, the Lease Level Report (setting out information relating to each Lease as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards), and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Lease Level Report (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Calculation Agent) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date.

The Servicer shall also provide the Calculation Agent with the information in its possession set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation which is necessary for the Calculation Agent to prepare the Inside Information and Significant Event Report and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event

triggering the delivery of such reports in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively).

The Servicer has represented and warranted that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Issuer will have the power to (a) terminate the mandate granted to the Servicer under the Servicing Agreement, and (b) to appoint a Substitute Servicer as servicer upon the occurrence of certain events affecting the Servicer including, *inter alia*, the following:

(a) the Servicer fails to pay or deposit any amount required to be paid or deposited, unless such failure is remedied within 5 (five) Business Days after the due date thereof and cannot be attributed to force majeure;

(b) the Servicer fails to deliver any of the reports and information set out in Clause 3.7 (*Reporting*) of the Servicing Agreement, unless such failure is remedied within 3 (three) Business Days after the due date thereof;

(c) the Servicer fails to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and the other Transaction Documents to which it is a party, unless such failure is remedied within 15 (fifteen) Business Days after the earlier of (A) the date on which FCAB becomes aware thereof and (B) the date on which the Issuer or the Representative of the Noteholders serves a written notice to FCAB requiring the same to be remedied (to the extent such failure is capable of remedy);

(d) any of the representations and warranties given by the Servicer pursuant to the Servicing Agreement proves to be untrue, incorrect or misleading in any material respect when made or repeated, provided that (A) the Representative of the Noteholders considers such breach to have a material adverse effect on the interests of the Noteholders, and (B) such breach is not remedied by FCAB within 15 (fifteen) Business Days after the receipt of a written notice from the Issuer;

(e) an Insolvency Event occurs with respect to the Servicer;

(f) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party; or

(g) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

FCAB is not entitled to resign from its appointment as Servicer, except if FCAB is prevented to lawfully performing its obligations under the Servicing Agreement, as a result of a change in law or for any other reason beyond its control, including without limitation the loss of ability to perform the role of Servicer under the Securitisation Law.

In case of termination of the appointment or resignation of the Servicer (and provided that a Back-up Servicer has not been previously appointed), the Issuer, with the assistance of the Back-up Servicer Facilitator shall appoint a Substitute Servicer which is required to have, *inter alia*, the following characteristics:

(a) it must meet the requirements of the Securitisation Law and the Bank of Italy to act as Servicer;

(b) it must be able to ensure, directly or indirectly, the efficient and professional performance of any activities provided under any laws or regulation from time to time applicable to the Issuer and, if such

legislations requires, the production of such information as is necessary to meet the information requirements of the Bank of Italy; and

(c) it must have sufficient assets (including personnel and IT system) to ensure the continuous and effective performance of its duties.

The Issuer has undertaken to promptly appoint, with the cooperation of the Back-up Servicer Facilitator, as back-up servicer when the Servicer's long-term, unsecured and unsubordinated debt obligations cease to be rated at least "BB-" by Fitch, an entity having the characteristics summarised above to replace the Servicer should the Servicing Agreement be terminated for any reason (the **Back-up Servicer**). The Back-up Servicer shall, *inter alia*, undertake to enter into a back-up servicing agreement substantially in the form of the Servicing Agreement and assume all duties and obligations applicable to it as set forth in the Transaction Documents.

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

**The Warranty and Indemnity Agreement**

On the Initial Execution Date, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to its status, the Receivables comprised in the Portfolio, the Lease Agreements and certain other matters in connection with the assignment of the Receivables to the Issuer and has agreed to indemnify the Issuer or repurchase under certain circumstances the affected Receivables in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

The Warranty and Indemnity Agreement sets out certain representations and warranties in respect of the Receivables including, *inter alia*, (a) general warranties in respect of the Originator's ability to enter into each of the Transaction Documents to which it is a party, its solvency and the accuracy of certain information provided to the Issuer; (b) general warranties in respect of the Lease Agreements; (c) specific warranties and representations in respect of the Leases and the Receivables; (d) warranties and representations in respect of judicial proceedings; (e) warranties and representations in respect of the Lessees.

In particular, pursuant to the Warranty and Indemnity Agreement the Originator represented and warranted to the Issuer, *inter alia*, that:

(a) to the best knowledge of FCAB, each party to a Lease Agreement had, at the date of execution of the relevant Lease Agreement, full power and authority to enter into and execute the same, and the obligations assumed by the relevant parties to each Lease Agreement constitute legal, valid and binding obligations of each such party enforceable in accordance with the terms of the relevant Lease Agreement (in each case subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally);

(b) each Lease Agreement is validly existing and enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally) and complies in all respects with all applicable laws and regulations in force at the time of the execution of the relevant Lease Agreement;

(c) to the best knowledge of FCAB, each authorisation, approval, consent, licence, exemption, registration, recording, notification, filing or notarisation which is necessary or desirable to ensure the validity, legality, enforceability or priority of the rights and obligations of the relevant parties to each Lease Agreement has been duly and unconditionally obtained or made, each duty, tax or fee of any kind which was payable prior to the relevant Portfolio Transfer Effective Date and which was necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the

relevant parties to each Lease Agreement has been paid and any other action which is necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the relevant parties to each Lease Agreement has been duly and unconditionally obtained, made or taken;

(d) save for the rights resulting from the application of article 125-*quinquies* of the Consolidated Banking Act or article 125-*sexies* of the Consolidated Banking Act (where applicable), no Lessee and/or Guarantor, as the case may be, thereunder is entitled to exercise any rights of termination, counterclaim, set-off or defence pursuant to the terms of the relevant Lease Agreement that would render the relevant Lease Agreement unenforceable, in whole or in part, or subject to any right of rescission, counterclaim, set-off or defence, and no such right of rescission, counterclaim, set-off or defence has been asserted or threatened to the best knowledge of FCAB;

(e) each Lease Agreement is governed by Italian law;

(f) each Lease Agreement was entered into and is in compliance with all applicable laws, rules and regulations (as implemented, supplemented or amended from time to time), including, without limitation and where applicable, (I) article 117, paragraphs 1 and 3, articles 121 to 126 of the Consolidated Banking Act (the **Consumer Credit Regulations**), (II) article 1469-*bis* of the Italian civil code, (III) the Italian Legislative Decree no. 206 of 6 September 2005 (the **Consumer Code**) (including, without limitation, articles 33, paragraphs 1 and 2, and paragraph 2), (IV) article 1283 of the Italian civil code, (V) Law no. 108 of 7 March 1996 (**Usury Law**), (VI) the Privacy Rules; FCAB's ownership of the Receivables relating to such Lease Agreement was, at all relevant times (including at the relevant Pool Transfer Effective Date), in compliance with all applicable laws, rules and regulations, including, without limitation, in each case, all laws, rules and regulations relating to Consumer Credit Regulations, the Consumer Code and the Privacy Rules (in each case to the extent applicable);

(g) each Lease Agreement was granted, entered into or accepted, as the case may be, by FCAB, and the servicing and collection practices adopted by FCAB with respect to the relevant Receivables have in all respects been conducted, in accordance with the credit and collection policies from time to time applied by FCAB, and any discretion accorded to any person under such credit and collection policies has been exercised in a prudent and diligent manner and in accordance with the same credit and collection policies, and such credit and collection policies have been and at all times will be in accordance with all applicable laws and regulations and the best practices of a prudent financier;

(h) FCAB is not aware of any default, breach or violation under any Lease Agreement, nor of any fact or circumstance which may cause any such default, breach or violation to occur which would have a material adverse effect on the ability of FCAB to collect the Receivables in accordance with the terms of the relevant Lease Agreement;

(i) there are no Judicial Proceedings in relation to any Receivable comprised in a Pool and, to the best of the knowledge and belief of FCAB, no such proceedings are pending or threatened in writing;

(j) in relation to the Insurance Policies:

(A) the relevant Lessee is the only beneficiary of any payments to be made by the insurance company and FCAB is neither a beneficiary nor is entitled to require the insurance company to make any payment under the relevant Insurance Policy directly to FCAB or its assignees;

(B) in the case of the Insurance Policies whose premium is financed by FCAB, FCAB has duly paid upfront to the relevant insurance company the premium owed by the Lessee to such insurance company;

(C) to the best of FCAB knowledge and belief, such Insurance Policy is in full force and effect;

(D) such Insurance Policy is expressed to be governed by Italian law;

(k) all the data and information supplied by it to the Issuer and/or the Representative of the Noteholders and/or the Arrangers and/or the Rating Agencies and their respective affiliates, representatives, agents, advisers and/or consultants for the purpose of or in connection with the Warranty and Indemnity Agreement, the other Transaction Documents, the Prospectus and any of the transactions contemplated herein or therein and all data and information included or to be included in the Warranty and Indemnity Agreement, the other Transaction Documents and this Prospectus relating to itself, the Receivables, the Lease Agreements, the Enforcement Proceedings, the Judicial Proceedings, the Insolvency Proceedings, the application of the Eligibility Criteria and the Cumulative Portfolio Limits and the data and information contained in the schedules to the Master Receivables Purchase Agreement, each Purchase Agreement and the Servicing Agreement, were, on the date of inclusion true, correct, accurate and complete in all material respects and no information material to the interests of the Issuer which is available to FCAB in respect of itself, the Receivables, the Lease Agreements, the Enforcement Proceedings, the Judicial Proceedings and the Insolvency Proceedings, the application of the Eligibility Criteria and the Cumulative Portfolio Limits and the data and information contained in the schedules to the Master Receivables Purchase Agreement, each Purchase Agreement, the Servicing Agreement and the Prospectus or the transactions contemplated in the Warranty and Indemnity Agreement or the other Transaction Documents or the data and information included herein or therein has been omitted therefrom;

(l) FCAB is party to each Lease Agreement and is the sole legal and exclusive beneficial owner of the Receivables relating thereto in each case free of any Adverse Claims and has not assigned, sold, transferred (whether absolutely or by way of security), mortgaged, charged or otherwise disposed of any of its rights, title, interest or benefit in, nor terminated, nor waived, amended or varied (otherwise than in accordance with the Credit and Collection Policies and the best practise of a prudent financier) or any of the terms of such Lease Agreement or created or allowed to be created any Adverse Claim on or over such Lease Agreement, nor will it do so, other than pursuant to the Transaction Documents to which it is or is to become a party;

(m) the execution and performance by it of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is or is to become a party and any other instrument and document to be executed pursuant hereto or thereto does not and will not contravene or constitute a default under or a waiver or renunciation of any right or cause to be exceeded any limitations on it or the powers of its directors imposed by or contained in (I) its constitutional documents, (II) any law, rule or regulation applicable to it; (III) any contract, deed, agreement, document, or other instrument binding upon it; or (IV) any order, writ, judgment, award, injunction or decree binding upon or affecting it or its assets;

(n) the Warranty and Indemnity Agreement and the other Transaction Documents to which it is or is to become a party constitute or, when entered into, will constitute, its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally);

(o) the Receivables (i) are not subject to payment holiday (whether arising from mandatory provisions of law or acts having force of law, trade association agreements, guidelines, recommendation of authority or contractual agreements) as at the relevant Pool Transfer Effective Date, or (ii) have been subject to payment holiday but the relevant moratorium period has expired or will expire before the scheduled payment date of the first Instalment assigned to the Issuer.

All the representations and warranties set out in the Warranty and Indemnity Agreement shall be deemed made or repeated:

(a) FCAB shall be deemed to represent, warrant and covenant to the Issuer in the terms set out in clause 2(a)(i) of the Warranty and Indemnity Agreement, as at the Completion Date of the Initial Pool and

the Issue Date. The Issuer shall be deemed to represent, warrant and covenant to FCAB in the terms set out in clause 12 of the Master Receivables Purchase Agreement and Clause 2(b) of the Warranty and Indemnity Agreement, as at each (i) the relevant Completion Date, the Issue Date and (ii) the relevant Settlement Date; and

(b) FCAB shall be deemed to represent, warrant and covenant to the Issuer in the terms set out in clause 2(a)(ii) to (v) (inclusive) of the Warranty and Indemnity Agreement in respect of each Pool (and with reference only to the Receivables comprised in each Pool) as at the relevant Completion Date and the relevant Settlement Date.

Pursuant to the Warranty and Indemnity Agreement, FCAB has agreed to indemnify and hold harmless the Issuer from and against any and all damages, losses, claims, costs and expenses suffered by or incurred by or awarded against the Issuer arising out of or resulting from:

(a) any breach of any representation and warranty made by FCAB under the Warranty and Indemnity Agreement;

(b) a default by FCAB in the performance of any of its obligations under the Warranty and Indemnity Agreement and/or any of the transactions contemplated therein;

(c) a default by FCAB in the performance of any of its obligations under the provisions of the Master Receivables Purchase Agreement and/or any other Transaction Documents (other than the Warranty and Indemnity Agreement) to which FCAB is or will be a party and any of the transactions contemplated therein, unless FCAB has cured such breach, to the extent possible, in accordance with the terms set out in the relevant Transaction Document or another remedy provided for in the relevant Transaction Document has already applied;

(d) any Receivable not being collected or recovered as a consequence of the proper exercise by any Lessees and/or Insolvency Receiver of a Lessee (if any) of (i) any set-off or (ii) any other rights and/or any counterclaim against FCAB, and in any case provided that the exercise of any such set-off, other right and/or counterclaim is not ungrounded.

Moreover, the Warranty and Indemnity Agreement provides that, in the event of, *inter alia*, (i) any breach of any of the representations and/or warranties and/or covenants given by FCAB under the Warranty and Indemnity Agreement or (ii) any Receivable becoming subject to an attachment or sequestration (*pignoramento o sequestro*) prior to (I) the publication of the notice of transfer of the Initial Pool in the Official Gazette and registration of the notice of assignment of such transfer with the local companies registry, or (II) the payment of the Advance Purchase Price bearing data certain at law ("*data certa*") in relation to the relevant Additional Pool, the Originator shall within 5 (five) Business Days following notification by the Originator to the Issuer and the Servicer (including for the avoidance of doubt any replacement Servicer) of the relevant breach or of the relevant attachment event or, upon the Issuer having become aware of such breach or attachment event, following notification by the Issuer to the Originator, either purchase from the Issuer the relevant Receivables for a purchase price determined in accordance with the terms therein or pay to or to the order of the Issuer by way of indemnity an amount calculated in accordance with the terms therein.

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

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

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Back-up Servicer Facilitator, the Account Bank, and the Principal Paying Agent entered into the Cash Allocation, Management and Payments Agreement.

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

(a) the Account Bank (which shall be an Eligible Institution) has agreed to establish and maintain, in the name and on behalf of the Issuer, the Payments Account, the Collections Account, the Principal Funds Account, the Interest Funds Account, the Expenses Account, the Cash Reserve Account and the Securities Account (if any) and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such Accounts;

(b) the Corporate Servicer has agreed to operate the Expenses Account, in accordance with the instructions of the Issuer;

(c) the Calculation Agent has agreed to:

(i) provide the Issuer with calculation services;

(ii) prepare and deliver, on or prior to each Calculation Date, the Payments Report (and, upon delivery of a Trigger Notice, the Post-Acceleration Report) setting out the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date in accordance with the applicable Priority of Payments;

(b) prepare and deliver, on or prior to each Investor Report Date, the Investor Report setting out certain information with respect to the Portfoglio and the Notes. Such report will be available for inspection on the website of the Calculation Agent (being, as at the date of this Prospectus, www.securitisation-services.com/it/);

(i) prepare the SR Investor Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1)) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investor Report (simultaneously with the Lease Level Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date; and

(ii) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively);

(d) the Principal Paying Agent (which shall be an Eligible Institution) has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes;

(e) the Back-up Servicer Facilitator has undertaken, in the event that the long-term rating of the Servicer's unsecured, unsubordinated and unguaranteed debt obligations falling below "BB-" by Fitch or upon termination of the appointment or resignation of the Servicer pursuant to the Servicing Agreement, to (i) use its best efforts in order to select an entity to be appointed as Back-up Servicer or Substitute

Servicer, as the case may be, in accordance with the Servicing Agreement and (ii) cooperate with the Issuer for the appointment of such Back-up Servicer or Substitute Servicer, as the case may be, in accordance with the Servicing Agreement.

The Accounts, held with the Account Bank shall be opened in the name of the Issuer and shall be operated by the Account Bank and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

If the Account Bank (acting upon written instruction of the Servicer) makes any Eligible Investments which comprise bonds, debentures, notes or other financial instruments, the Account Bank shall on behalf of the Issuer, prior to making such investments, open the Securities Account with itself for the deposit of such Eligible Investments. The Account Bank and the Issuer shall execute such documents and give such notices in writing as may be required by the Representative of the Noteholders in connection therewith.

The Issuer will at all times maintain with the Account Bank, until the earlier of the date on which the Notes have been redeemed in full or cancelled and the Final Maturity Date, as a separate account in the name of the Issuer and in the interests of the Noteholders and the Other Issuer Creditors, the Securities Account, which if opened, will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of any Agent by giving not less than 3 (three) months' written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred.

Any of the following events shall be a termination event in respect of the relevant Agent (each, a **Termination Event**):

(A) the Account Bank or the Principal Paying Agent fails to make on the due date any payments to be made by it under the Cash Allocation, Management and Payments Agreement except by reason of a failure of another party to provide relevant information, notices or funds as contemplated in the Cash Allocation, Management and Payments Agreement, and such default continues to be unremedied for a period of 3 (three) Business Days;

(B) any of the Agents fails to comply with any of its respective obligations under clauses 3 (*Accounts opened with the Account Bank*), 5 (*Duties of the Account Bank*), 6 (*Duties of the Calculation Agent*), 7 (*Duties of the Principal Paying Agent to determine Interest Payment Amount*), 8 (*Other duties of the Principal Paying Agent*), 11 (*Records*), 13 (*Undertakings of the Agents*) and 14 (*Liability of the Agents*) of the Cash Allocation, Management and Payments Agreement (other than, in the case of the Account Bank and the Principal Paying Agent, those obligations referred to in paragraph (A) above) and, (except where, in the opinion of the Representative of the Noteholders, such breach is incapable of remedy, in which case, no notice requiring remedy shall be required) such breach continues to be unremedied for a period of 10 (ten) Business Days (or, in case of failure to deliver any information or report provided for hereunder, for a period of 3 (three) Business Days) after the earlier of (I) the relevant Agent becoming aware of such breach and (II) receipt by such Agent of a written notice from the Representative of the Noteholders requiring such breach to be remedied;

(C) any of the representations and warranties given by any Agent under the Cash Allocation, Management and Payments Agreement proves to be inaccurate and, in the opinion of the Representative of the Noteholders, such inaccuracy is materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding and, (except where, in the opinion of the Representative of the Noteholders, such inaccuracy is incapable of remedy, in which case, no notice requiring remedy shall be required) such inaccuracy continues to be unremedied for a period of 10 (ten) Business Days after the earlier of (I) the relevant Agent becoming aware of such inaccuracy and (II) receipt by such Agent

of a written notice from the Representative of the Noteholders requiring such inaccuracy to be remedied;

(D) any of the Agents becomes subject to an Insolvency Proceeding;

(E) any encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of, all or any part of the business or assets of any of the Agents, or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within 7 (seven) days of being levied, enforced or sued out;

(F) any of the Agents is unable or admits inability to pay its debts and/or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments (whether of principal, or interest or otherwise) with respect to all or any class of its debts;

(G) any of the Agents convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors;

(H) a petition is presented, or a meeting is convened for the purpose of considering a resolution or other steps are taken for making an administration order against or for the winding-up of any of the Agents or an administration order or a winding-up order is made against any of the Agents (other than for the purposes of and followed by a reconstruction, merger or amalgamation previously approved in writing by the Representative of the Noteholders, unless during or following such reconstruction, merger or amalgamation any of the Agents becomes or is declared to be insolvent);

(I) anything analogous to any of the events specified in paragraphs (D), (E), (F), (G), or (H) above occurs under the laws of any applicable jurisdiction in relation to any of the Agents; or

(J) the Account Bank or the Principal Paying Agent ceases to be an Eligible Institution in accordance with the provisions of clause 18.1(a) or 18.1(b) of the Cash Allocation, Management and Payments Agreement, as the case may be

If one or more Termination Event shall occur, the Issuer:

(A) in the case of the Termination Events set out in paragraphs (i)(A), (B) and (C) above may, with the prior written consent of the Representative of the Noteholders, or shall, if so instructed by the Representative of the Noteholders; or

(B) in the case of any other Termination Events, shall,

by notice in writing to the Agent to which the relevant Termination Event refers, with copy to the other Parties and the Rating Agencies:

(I) in the case of the Termination Events referred to in (A), (B), and (C) above, immediately terminate (risolvere) the Cash Allocation, Management and Payments Agreement with respect to the affected Agent (*risoluzione parziale*) pursuant to article 1456 of the Italian civil code;

(II) in the case of the other Termination Events, withdraw from (*recedere da*) the Cash Allocation, Management and Payments Agreement in relation to the affected Agent (other than in the case of the Termination Event referred to under paragraph (D) above, in which case the appointment of the affected Agent will terminate by operation of article 78 of the Italian Bankruptcy Law); and

(III) in each case, terminate the appointment of (*revocare dall'incarico*) the relevant Agent.

Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 3 (three) months' (or such shorter period as the Representative of the

Noteholders may agree) prior written notice of resignation to the Issuer, the Rating Agencies and the Representative of the Noteholders and the other parties to the Cash Allocation, Management and Payments Agreement.

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

**The Intercreditor Agreement**

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

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

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

In particular, the Issuer has undertaken, *inter alia*:

(a) to exercise all its rights under the Transaction Documents in a timely manner and, in general, to execute and undertake all such documents, assurances, acts and things as may be necessary or appropriate for the fulfilment by the Issuer of its obligations under the Transaction Documents;

(b) to grant on demand and without delay to the Representative of the Noteholders, Italian law powers of attorney, in addition to the powers of attorney granted pursuant to the Mandate Agreement, as requested by the Representative of the Noteholders, in order that the Representative of the Noteholders may be able to exercise all the Issuer's rights under the Transaction Documents;

(c) to hold all meetings of the board of directors of the Issuer in Italy and not hold any such meeting outside Italy;

(d) not to establish any "establishment", as that term is used in Article 2(h) of the Insolvency Regulation, outside Italy; and

(e) to deliver, through the Corporate Servicer, its audited financial statements to the Representative of the Noteholders each year as soon as practicable after the same are available.

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation.

Each of the Issuer and the Originator has agreed that FCAB is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in article 7(2), fourth paragraph, of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf.

As to pre-pricing information:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of data relating to each Lease (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation), and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation; and

(b) in case of transfer of any Notes by FCAB to third party investors after the Issue Date, the Originator will make available to such investors before pricing, through the Securitisation Repository, the information under point (a) of the first subparagraph of article 7(1) upon request, and the information and documentation under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(a) the Servicer shall prepare the Lease Level Report setting out information relating to each Lease as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Lease Level Report (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Calculation Agent) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date through the Securitisation Repository;

(b) the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer:

  (i) prepare the SR Investor Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1)) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investor Report (simultaneously with the Lease Level Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date; and

  (ii) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential

investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively); and

(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes promptly after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes and the competent authorities referred to in article 29 of the EU Securitisation Regulation pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),

in each case in accordance with the requirements provided by the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

The Originator has acknowledged that it shall perform such role in consideration of the amounts payable to it under the Transaction Documents and has agreed that it will not be entitled to receive any other compensation in connection therewith.

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

**The Mandate Agreement**

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

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

**The Corporate Services Agreement**

On or about the Issue Date, the Issuer and the Corporate Servicer entered into the Corporate Services Agreement under which the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

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

**The Corporate Administration Agreement**

Under the Corporate Administration Agreement entered into on or about the Issue Date, between the Issuer and the Corporate Administrator, the Corporate Administrator has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

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

**Stichting Corporate Services Agreement**

Pursuant to the Stichting Corporate Services Agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, the Stichting Corporate Services Provider has undertaken to provide certain management and administration services in relation to the Quotaholder.

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

**The Quotaholder Agreement**

On or about the Issue Date, the Issuer and the Quotaholder entered into the Quotaholder Agreement under which the Quotaholder has agreed the corporate and management structure of the Issuer.

The Quotaholder Agreement provides, *inter alia*, that the Quotaholder will not approve the payment of any dividends, or any repayment or return of capital by the Issuer, prior to the date on which all amounts of principal and interest on the Notes and all sums due to the Other Issuer Creditors have been paid in full.

The Quotaholder Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by Italian law.

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES AND ASSUMPTIONS

The estimated average life of the Rated Notes cannot be predicted as the actual rate at which the Leases will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the estimated average life of the Rated Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the estimated average life of the Rated Notes based on the following assumptions:

(a) no Trigger Event occurs;

(b) the Leases are subject to a constant rate of prepayment as shown in the table below;

(c) there will be no yield on the Accounts and no profit or yield on the Eligible Investments;

(d) the Issue Date is 11 November 2020 and that repayment of principal on the Notes occurs from the Payment Date falling in May 2021 (included);

(e) no Notes Pre-Amortisation Event occurs;

(f) there are no Defaulted Receivables or Delinquent Receivables;

(g) the clean-up call option will be exercised in accordance with the Master Receivables Purchase Agreement and Condition 8.4 (*Optional redemption for clean-up call*);

(h) no event under Condition 8.5 (*Optional redemption for taxation reasons*) occurs;

(i) no purchase, sale, indemnity or renegotiation on the Portfolio as a whole or on individual Receivables is made according to the Transaction Documents, the Instalments will not be reduced and the term of the Leases are not extended.

| | **Constant prepayment rate** | | |
|---|---|---|---|
| | **0%** | **5%** | **15%** |
| Estimated weighted average life of Class A Notes (years) | 1.56 | 1.50 | 1.38 |
| Estimated weighted average life of Class B Notes (years) | 3.21 | 3.12 | 2.90 |
| Estimated weighted average life of Class C Notes (years) | 3.26 | 3.18 | 2.93 |

Assumption (b) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for 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 weighted average life of the Rated Notes shown above is subject to factors largely outside of the Issuer's control and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

## TAXATION IN THE REPUBLIC OF ITALY

*The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the 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.*

*This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest or principal under the Notes, including in particular the effect of any state, regional or local tax laws.*

### Income tax

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of the Securitisation Law, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated (**Decree 239**) and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014, payments of interest and other proceeds (including the difference between the redemption amount and the issue price) (hereinafter referred to as **Interest**) in respect of the Notes:

(i) will be subject to an *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships pursuant to Article 5 of Italian Presidential Decree no. 917 of 22 December 1986, as amended (with the exception of a *società in nome collettivo*, a *società in accomandita semplice* or similar partnerships), a *de facto* partnership not carrying out commercial activities or a professional association; (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 in respect of the Notes will not be included in the general income 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 on the Notes or in the transfer of the Notes.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law;

(ii) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; and (ii) non-commercial Italian resident public and private entities; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Notes are connected;

(iii) will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations or commercial entities, commercial partnerships or permanent establishments in Italy of

non resident corporations to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary; (ii) Italian resident collective investment funds, SICAVs, SICAFs, 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 and Italian real estate SICAFs and the Notes are deposited with an authorised intermediary; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the 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 investors with no permanent establishment in Italy to which the Notes are effectively connected, provided that:

(a) they are (i) resident of one of the countries allowing for an adequate exchange of information with the Italian tax authorities, as currently listed in Ministerial Decree of 4 September 1996, as amended from time to time in accordance with Article 11, paragraph 4, of Decree 239 (each, a **White List Country**), or, in the case of qualifying institutional investors not subject to tax, they are established in such a White List 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 Notes are deposited directly or indirectly: (i) with a bank or a brokerage company (**SIM**) resident in Italy; (ii) with an 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 described under category item (a)(i) above, the banks or brokerage companiess mentioned in paragraph (b) above receive a self-declaration from the beneficial owner of the Interest which states that the beneficial owner is a resident of that countrya White List 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 withdrawn or revoked by the investor. An additional self-statement does not have to be filed if an equivalent self-declaration 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 relevant self-declaration shall be produced by the management company; and

(d) the banks or brokerage firmss mentioned in paragraphs (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Notes and all necessary information in order to determine the amount of iInterest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. tax (*imposta sostitutiva*) on Interest on the Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, the *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals and certain other persons holding Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to an annual substitute tax levied at the rate of 26 per cent. (the **Asset Management Tax**) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest accrued on the Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the 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 individual income tax (*imposta sul reddito delle persone fisiche*, **IRPEF**) plus local surtaxes, if applicable; and (ii) under certain circumstances, the regional tax on productive activities (*imposta regionale sulle attività produttive*, **IRAP**).

Where the holder of the Notes is an Italian resident investment fund, a SICAF investing in movable assets or a SICAV (together the **Funds**), Interest payments relating to the Notes are not subject to *imposta sostitutiva* but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Italian resident pension funds are subject to 20 per cent annual substitute tax (the **Pension Fund Tax**) on the increase in value of the managed assets accrued at the end of each tax year. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where the Noteholder is an Italian resident real estate investment fund or a real estate SICAF (collectively, the **Real Estate Investment Funds**), Interest in respect of the Notes is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Investment Fund. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by Italian Real Estate Investment Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund owning more than 5 per cent of the Italian Real Estate Investment Fund's units or shares.

Any positive difference between the nominal redeemable amount of the Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, capital income is treated as a separate category of income only for tax-payers who are not engaged in entrepreneurial activities in Italy.

Where the Notes are not deposited with an authorised intermediary, as those listed under paragraph (b) above, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a holder of a Note.

**Capital gain tax**

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income (*reddito d'impresa*) of the holders of the Notes (and, in certain cases, depending on the status of the holders of the Notes, 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 the holders of the Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* at the rate of 26 per cent. In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three following regimes:

1. under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals or entities not engaged in an entrepreneurial activity, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individuals or entities Noteholders not in connection with an entrepreneurial activity pursuant to all disposals on the Notes carried out during any given fiscal year. These taxpayers 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;

2. as an alternative to the tax declaration regime, Italian resident Noteholders holding the 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 Notes (the ***Risparmio Amministrato*** regime). Such separate taxation of capital gains is permitted subject to: (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The 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 Notes, 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 Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the Risparmio Amministrato regime, the Noteholder is not required to report capital gains in its annual tax return; and

3. any capital gains realised by Italian resident individuals or entities holding Notes not in connection with an entrepreneurial activity who/ which have elected for the Asset Management Option will be included in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Any capital gains realised by an holder of Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by the holders of the Notes who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax. Subject to certain conditions (including minimum

holding period requirement) and limitations, capital gains in respect of Notes realised upon sale, transfer or redemption by Italian pension fund may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Any capital gains realised on the transfer of or redemption of the Notes by beneficial owners which are Italian Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax at a rate of up to 26 per cent. may apply under certain circumstances on income realised by the participants to the Real Estate Fund upon distributions and/or redemption of the Real Estate Fund's units or shares (where the item of income realised by the participants may include the capital gains on the Notes).

The 26 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the 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 Notes are effectively connected, through the sale for consideration or redemption of Notes are not subject to taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of a non-residency declaration, even if the Notes are held in Italy.

In case the Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a White List Country or, in the case of qualifying institutional investors not subject to tax, they are established in such a White List Country (see Article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the 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 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 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 Notes; in this case, if non-Italian residents without a permanent establishment in Italy to which the 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.

**Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(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. If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rates mentioned above on the value exceeding, for each beneficiary, €1,500,000.

The *mortis causa* transfers of financial instruments included in a long-term individual savings account (*piano di risparmio a lungo termine*) – that meets the requirements from time to time applicable as set forth under Italian law – are exempt from inheritance taxes.

**Tax monitoring**

According to the Legislative Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree of 22 December 1986, No. 917) resident in Italy for tax purposes, who/which at the end of the year hold investments abroad or have financial foreign activities by means of which income of foreign source can be accrued must, in some 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). The disclosure requirements are not due if the foreign financial investments (including the Notes) are held through an Italian resident intermediary or are only composed by deposits and/or bank accounts having an aggregate value not exceeding an €15,000 threshold throughout the year.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of the instrument.

Furthermore, the above reporting requirement is not required to be complied with in respect to Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries.

**Stamp duty**

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 (**Stamp Duty Law**), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013, introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clients as of 1 January 2012 (**Statement Duty**). The Statement Duty is levied at the rate of 0.2 per cent. on the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The Statement Duty cannot exceed € 14,000.00 for investors other than individuals. 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 statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so.

Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

**Wealth tax on Notes deposited abroad**

Article 19, paragraph 18, of Law Decree 201 of 6 December 2011, as amended by Article 1 paragraph 582 of Law No. 147 of 27 December 2013 and Article 9 paragraph 1 of Law No. 161 of 30 October 2014, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent. (***IVAFE***). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13 of the First Part of the Tariff attached to the Stamp Duty Law does apply.

## FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. On 13 December 2018, the Treasury and the Internal Revenue Service issued Proposed Regulations (REG-132881-17) under FATCA, eliminating withholding on the payments of gross proceeds and deferring withholding on foreign passthru payments. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA Withholding unless materially modified after such date. However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Pursuant to a subscription agreement entered into on or about the Issue Date between the Issuer, the Arrangers, the Representative of the Noteholders and FCAB (the **Subscription Agreement**), the Subscriber agreed to subscribe and pay to the Issuer for the Notes at the issue price of 100 per cent. of the aggregate principal amount of the Notes upon issue.

The Subscription Agreement is subject to a number of conditions and may be terminated in certain circumstances prior to payment to the Issuer for the Notes.

Under the Subscription Agreement, the Originator has represented that is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) in the Republic of Italy.

Pursuant to the terms of the Subscription Agreement, the Issuer and FCAB have agreed to jointly and severally indemnify the Arrangers against certain liabilities, as better specified therein.

Under the Subscription Agreement, the Issuer has provided, *inter alia*, the following representations and warranties:

**1. Incorporation**

(a) the Issuer (i) is a limited liability company with sole quotaholder (*società a responsabilità limitata con socio unico*), duly organised and validly existing under the laws of the Republic of Italy, qualified as a *società per la cartolarizzazione dei crediti* under article 3 of the Securitisation Law and duly registered with the register of the special purpose vehicles held by the Bank of Italy (*elenco delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 7 giugno 2017*) under number 35739.2; and (ii) has full power and authority to own its property and assets and conduct its business as described in this Prospectus;

(b) the Issuer has not engaged in any activities since its incorporation (other than those matters which are necessary for, or are reasonably incidental to, its registration and incorporation under all relevant rules of Italian law, the purchase of the Initial Pool, the authorisation of the Transaction Documents, the issue of this Prospectus and matters which are incidental or ancillary to the foregoing, or any of the activities which any of the Transaction Documents provide or envisage that the Issuer will engage in) and has neither paid any dividends nor made any distributions since its incorporation;

(c) the Issuer was incorporated for the purpose of issuing asset-backed securities in accordance with the Securitisation Law, acquiring, holding and disposing of receivables and engaging in the activities incidental thereto and will not incur any liability other than in connection with the Notes, the Transaction Documents and any other agreement entered into by the Issuer in relation thereto and any Further Securitisation in accordance with the Conditions;

**2. Centre of main interests**

The Issuer has its "centre of main interests", as that term is used in article 3(1) of the Insolvency Regulation, in the Republic of Italy;

**3. Home member state**

The Issuer will have on or about the Issue Date its "home Member State", as that term is used in article 2 of Directive 2004/109/EC of 15 December 2004, as implemented in Italy with the Legislative Decree n. 195 of 6 November 2007, in Luxembourg;

**4. Litigation**

The Issuer is not involved in any litigation, arbitration or administrative proceedings nor, so far as the Issuer is aware, is any such litigation, arbitration or administrative proceeding pending or threatened;

**5. Solvency**

The Issuer is not Insolvent and no Insolvency Event or event which, with the giving of notice or lapse of time or other condition, would constitute an Insolvency Event is subsisting, and no event has occurred which would constitute an Insolvency Event or which, with the giving of notice or lapse of time or other conditions, would constitute such an Insolvency Event;

**6. Tax residence**

The Issuer is a company which is, and has since incorporation been, resident for Tax purposes solely in the Republic of Italy;

**7. Management and administration**

The Issuer's management, the places of residence of its directors, and the place at which meetings of its quotaholders and its board of directors (if appointed) have been and will be held are all situated in the Republic of Italy;

**8. No establishment, subsidiaries, employees or premises**

The Issuer has no establishment, as that term is used in article 2(h) of the Insolvency Regulation, no branch offices and no subsidiaries, employees or premises outside the Republic of Italy;

**9. No other security**

No Security Interest exists over or in respect of any assets of the Issuer other than and the ring-fencing of the Receivables, the Collections and the other rights and property of the Issuer as provided for in article 3 of the Securitisation Law;

**10. Financial statements**

The Issuer has not prepared any financial statements as at the date of hereof. The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year, with the exception of the first fiscal year which started on the date of its incorporation and which will end on 31 December 2020;

**11. No adverse change**

There has been no adverse change or any development involving a prospective adverse change in the condition (financial or otherwise), business, general affairs, properties, shareholders' equity or results of operations of the Issuer since the date of its incorporation that is material in the context of the issue and performance of the Notes or the offering of the Notes;

**12. Consents**

The Issuer has or will, prior to the Issue Date, have obtained and maintained in effect, all authorisations, approvals, licenses and consents required in connection with its business pursuant to any requirement of law or regulation applicable to the Issuer in the Republic of Italy;

**13. Capitalisation**

The authorised, issued and paid up quota capital of the Issuer is Euro 10,000 and is held by Stichting Tognazzi and the Issuer has issued no other voting securities;

**14. Issuer separate entity**

The Issuer is a corporate entity separate and distinct from the Originator, maintains corporate records and books of account separate from the Originator and maintains an arm's length relationship with the Originator;

**15. Directors of the Issuer**

None of the directors of the Issuer is a director, officer, employee of the Originator or of any of its affiliates;

**16. Liabilities**

The Issuer has no liabilities (contingent or otherwise) other than those that may be incurred through the entry into the Transaction Documents and the performance of the transactions contemplated thereby and those incurred in respect of any costs necessary to maintain its corporate existence;

**17. Tax returns**

The Issuer has filed all Tax returns which are required to be filed and paid all Taxes, if applicable, including any assessments received by it, to the extent that such Taxes have become due; any Taxes payable by the Issuer in connection with the Securitisation, the execution, delivery and performance of the Transaction Documents and the issue of the Notes if due on or prior to the Issue Date, have been paid or will be paid on or prior to the Issue Date or, if due after the Issue Date, will be paid when so due;

**18. Corporate power**

The Issuer is lawfully qualified to do business in those jurisdictions in which business is conducted by it and has the requisite power and authority to:

(a) enter into the Transaction Documents to which it is expressed to be a party;

(b) create and issue the Notes of each Class on the Issue Date; and

(c) undertake and perform the obligations expressed to be assumed by it in the Notes and the Transaction Documents;

**19. Authorisations**

All acts, conditions and things required to be done, fulfilled or performed in order to:

(a) enable the Issuer to purchase the Initial Pool;

(b) enable the Issuer to lawfully issue, distribute and perform the terms of the Notes and distribute this Prospectus in accordance with the selling restrictions set out in schedule 3 (*Selling Restrictions*) of the Subscription Agreement, including any required consents, approvals, authorisations and other orders of all regulatory authorities in the Republic of Italy or the Grand-Duchy of Luxembourg;

(c) enable the Issuer to lawfully enter into the Transaction Documents to which it is expressed to be a party;

(d) enable the Issuer to lawfully exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Transaction Documents; and

(e) ensure that the obligations expressed to be assumed by the Issuer in the Transaction Documents are legal, valid, binding and enforceable against it except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws and any general principle of law applicable affecting the enforcement of the rights of creditors generally.

have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected;

**20. Execution**

The Transaction Documents have been duly executed by the Issuer or, as the case may be, will be duly executed by the Issuer on or prior to the Issue Date;

**21. No breach of law or contract**

The execution and delivery by the Issuer of the Transaction Documents, the issue of the Notes, the performance by the Issuer of its other obligations contemplated by the Transaction Documents including, without limitation, the purchase of the Initial Pool and compliance with the terms of the Transaction Documents do not and will not:

(a) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the constitutive documents of the Issuer or any indenture, deed, mortgage, or other agreement or instrument to which the Issuer is a party or by which it or any of its properties, revenues or assets is bound;

(b) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Issuer or any of its properties, revenues or assets; or

(c) result in the creation or imposition of any Security Interest on any of its properties revenues or assets, save as provided in the Transaction Documents,

where such conflict, breach, infringement or default would have an adverse effect on the Issuer, any Transaction Document, the Notes or any of the Issuer's Rights;

**22. Valid and binding obligations**

The obligations expressed to be assumed by the Issuer under the Transaction Documents do (or will, upon their due execution and delivery on or prior to the Issue Date or as required from time to time thereafter) constitute legal, valid, binding and enforceable obligations of the Issuer, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws and any general principle of law applicable affecting the enforcement of the rights of creditors generally;

**23. Validity of the Notes**

The Notes have been duly authorised by the Issuer and, when duly executed, issued and delivered, will constitute legal, valid, binding and enforceable obligations of the Issuer except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws and any general principle of law applicable affecting the enforcement of the rights of creditors generally;

**24. Status of the Notes and subordination**

(a) the Notes on issue will constitute direct limited recourse obligations of the Issuer;

(b) the ranking and subordination of the Notes are as set out in Condition 4 (*Status, Segregation and Ranking*);

**25. Arm's length transaction**

The Transaction Documents to which the Issuer is a party have been entered into by the Issuer in good faith for the benefit of the Issuer and on arm's length commercial terms;

**26. No cross default**

The Issuer is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its property, assets or revenues which breach or default is likely to be material in the context of the issue and performance of the Notes or the offering of the Notes;

**27. Statutory segregation**

Under the provisions of the Securitisation Law, the Issuer's rights, title and interest in and to the Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections as provided for in article 3 of the Securitisation Law will be segregated for all purposes from the other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and amounts deriving from the Portfolio will be exclusively available for the purposes of satisfying the obligations of the Issuer to the Noteholders and the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation;

**28. Consents**

The Issuer does not require the consent of any other party or the consent, licence, approval or authorisation of any governmental authority in connection with the creation and the issue of the Notes, the signing of the Transaction Documents and the distribution of this Prospectus;

**29. Accuracy of information**

All information and documentation supplied by the Issuer to the Arrangers and the Rating Agencies in connection with the Securitisation is at the date hereof and as at the Issue Date true and accurate in all respects and not misleading because of any omission or ambiguity or for any other reasons;

**30. No Trigger Event**

Prior to the Issue Date and as at the Issue Date, no event has occurred or circumstances have arisen which would constitute (after the issue of the Notes) a Trigger Event (as defined in Condition 12 (*Trigger Event*)) or which with the giving of notice or the lapse of time or other condition would (after the issue of the Notes) constitute a Trigger Event;

**31. Title to the Initial Pool**

On the Issue Date and thereafter, the Issuer will be the legal owner of, and will have good and transferable title to, each Receivable comprised in the Initial Pool free from Security Interests other than the segregation provided for by the Securitisation Law;

**32. No litigation**

The Issuer has not received written notice of any litigation or claim calling into question its title to any Receivables comprised in the Initial Pool.

## SELLING RESTRICTIONS

Each of the Issuer and the Subscriber has undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distribute this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer and the Subscriber has, pursuant to the Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes save as contained in or consistent with this Prospectus or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

### General

Each person into whose hands this Prospectus comes are required by the Issuer and the Originator to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Originator shall have any responsibility therefor. None of the Issuer and the Originator represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

As at the date of this Prospectus, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Prospective investors should note that, although the definition of "U.S. persons" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, the definitions are not identical and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest therein, will be deemed and, in certain circumstances, will be required to represent to the Issuer, the Originator and the Arrangers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules).

### Prohibition of Sales to EEA and UK Retail Investors

Each of the Issuer and the Subscriber has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the European Economic Area (**EEA**) or the United Kingdom (**UK**).

For the purposes of this provision:

(i) the expression **retail investor** means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(b) a customer within the meaning of Directive (UE) 2016/97 (as amended, **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;

(ii) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In relation to each Member State of the EEA or the UK (each, a **Relevant State**), each of the Issuer and the Subscriber has represented, warranted and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, (i) the expression an **offer of Notes to the public** in any Relevant 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 for the Notes and (ii) the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

**United States of America**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Issuer and the Subscriber has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the relevant Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering of the Notes or the Issue Date (the **Distribution Compliance Period**), within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the relevant Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, any U.S. person. Terms used in this paragraph have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

**United Kingdom**

Each of the Issuer and the Subscriber has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer and each of the other that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any relevant Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

**Italy**

Each of the Issuer and the Subscriber has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer 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 any relevant Notes, copy of this Prospectus nor any other offering material relating to the relevant Notes other than to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Consolidated Financial Act and article 34-*ter*, paragraph 1, letter (b) of the CONSOB regulation No. 11971 of 14 May 1999 (as amended and integrated from time to time, **CONSOB Regulation**) and in accordance with any applicable Italian laws and regulations.

Any offer of the Notes to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act, CONSOB Regulation no. 20307 of 15 February 2018, the Consolidated Banking Act and any other applicable laws and regulations.

In addition, each of the Issuer and the Subscriber has undertaken to comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to article 129 of the Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

*General*

Each of the Issuer, the Arrangers and the Subscriber has, pursuant to the Subscription Agreement, acknowledged that (a) no action has or will be taken by it which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the relevant Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; (b) the relevant Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the relevant Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by each of the Issuer and the Subscriber in accordance with Italian securities, tax and other applicable laws and regulations and 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.

## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies, *inter alia*, to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

*Ring-fencing of the assets*

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

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 (**Law 116/2014**) in order to include not only the relevant receivables but also (a) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (b) the cash-flows deriving from the relevant receivables and such monetary rights and (c) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-*bis* and 2-*ter* to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-*bis* and 2-*ter* to article 3 of the Securitisation Law:

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

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

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

*Assignment pursuant to the Factoring Law*

Law Decree no. 145 of 23 December 2013 converted into law by Law no. 9 of 21 February 2014 (the **Decree 145**) has simplified the assignments under the Securitisation Law of receivables falling within the scope of the Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, it has been provided that the transfer of above-mentioned type of receivables, which do not need to be identifiable as a pool (*in blocco*), can be perfected also applying certain provisions of the Factoring Law.

In addition, Decree 145 has established that if the transaction parties choose to use the Factoring Law as described above, then the relevant notice of assignment to be published in the Official Gazette will need to set out only the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment.

Pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of the Factoring Law referred to therein, the transfer of receivables and related ancillary rights is rendered enforceable against any third party creditors of the seller (including any insolvency receiver of the same) alternatively through (i) the publication of a notice of transfer in the Official Gazette and the registration of the same in the competent companies' register, or (ii) the annotation of the monies received from the SPV as purchase price for the relevant receivables on the seller's account into which they have been paid, in order for the relevant payment to bear date certain at law (*data certa*) in accordance with the provisions of article 2, paragraph 1, letter b), of Legislative Decree no. 170 of 21 May 2004.

The enforceability of the transfer of the receivables against the debtors is governed by the ordinary regime provided for by the Italian civil code. As a result, the transfer of the receivables from the assignor to the assignee will become enforceable (*opponibile*) against the relevant debtors only at such time as a notice (in any form) of the relevant assignment from the assignor to the assignee has been given to the relevant debtors, or the relevant debtors have accepted such assignment, in each case in accordance with the provisions of article 1264 of the Italian civil code. In this respect, it should be noted that, as a consequence of the application of article 4, second paragraph, of the Securitisation Law, as from the date of publication of the notice of transfer in the Official Gazette or the date of payment of the relevant purchase price bearing a date certain at law (*data certa*), a debtor will not have the right to set-off its claims vis-à-vis the assignor which have arisen after such date against the amounts due by the relevant debtor to the assignee in respect of the receivables. In addition, if a notice of the assignment to the assignee is sent to the relevant debtor (i) by the assignee or (ii) by any other entity validly acting as agent and in the name and on behalf of the assignee or the assignor, provided that such notice duly and unequivocally identifies the relevant receivable, the transfer of the relevant receivable from the assignor to the assignee will become enforceable (*opponibile*) against the relevant debtor, in accordance with the provisions of article 1264 of the Italian civil code.

*Limitation to the set-off rights of the assigned debtors*

Decree 145 has provided that, with effect from the date of the publication of the notice of transfer in the Official Gazette and registration of the same in the competent companies' register (or of the purchase price payment, as the case may be, as described in the preceding paragraph headed "*Assignment pursuant to the Factoring Law"*), in derogation of any other provision of law, the assigned debtors of the relevant securitised receivables are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date of publication and registration (or of the payment of the purchase price payment, as the case may be).

*Exemption of claw-back of prepayments*

The Securitisation Law stated that payments made by the assigned debtors benefit from an exemption from the claw-back provided for by article 67 of the Bankruptcy Law. However, nothing was said under the Securitisation Law in relation to the claw-back action pursuant to article 65 of the Bankruptcy Law, being the claw-back in respect of any prepayments. Decree 145 has established an express exemption also in respect of such claw-back action under article 65 of the Bankruptcy Law.

**Italian Law on Leasing**

The contract of financial leasing (*locazione finanziaria*) (**Financial Leasing**) has been recently disciplined and identified under law no. 124 of 4 August 2017 (the **2017 Italian Competition Law**), pursuant to which Financial Leasings are agreements in the context of which a regulated bank or a financial intermediary registered under article 106 of the Consolidated Banking Act agrees to purchase or procure an asset selected by the lessee who then assumes all the risks, including of loss or destruction of the asset, in return for lease payments. Accordingly, three parties are generally involved in a financial leasing transaction (i.e., lessor, lessee and supplier) which involves the execution of two contracts: the Financial Leasing agreement between lessor and lessee and the transfer agreement between the supplier and the lessor. The Italian Supreme Court has established that although these contracts are separate, there is a contractual link between them arising from the fact that the assets acquired by the lessor from the supplier are selected and chosen by the lessee, who is responsible for their maintenance and is subject to the risk of their loss. The 2017 Italian Competition Law further specifies that (a) the payments to be made by the lessee under a Financial Leasing shall be calculated on the basis of (i) the amount paid by the lessor to acquire the right of ownership of the lease asset and (ii) the duration of the agreement, and (b) that, upon the agreed contractual maturity, the lessee shall have the option to acquire the ownership of the asset at the agreed price (*riscatto*), or to return it to the lessor.

In a number of decisions given by the Italian Supreme Court in 1989 and confirmed, *inter alia*, by a decision given by the *Sezioni Unite* of the Supreme Court in 1993 (Cass. Sez. Un., 7 January 1993, No. 65), contracts of Financial Leasing are divided into two different types: firstly, "*leasing finanziario di godimento*", under which the payment of the agreed rentals represents only, in line with the intention of the parties involved, remuneration for the use of the leased assets by the lessee; and secondly, "*leasing finanziario traslativo*" under which the parties foresee, at the time of the conclusion of the contract, that the leased assets (in view of its nature, the envisaged use and the duration of the contract) is to retain, upon expiry of the contract, a residual value significantly higher than the "*riscatto*". Accordingly, it is reasonable to hold that rentals to be paid under "*leasing finanziario traslativo*" represent part of the consideration for the transfer of the leased assets to the lessee following expiry of the contract upon payment of the "*riscatto*", and that the exercise of the purchase option and transfer of the leased assets to the lessee upon expiry of the contract forms part of the original intention of the parties to the contract.

According to certain case law, the provisions of article 1526 of the Italian civil code are to be applied by analogy to contractual relationships between lessors and lessees under the "*leasing finanziario traslativo*". Article 1526 of the Italian civil code establishes that in relation to a sale by instalments with retention of title, if the contract is terminated as a result of the non-performance by the purchaser of its obligations, the vendor must repay the instalments received, save for its right to an equitable compensation for the use of the goods and damages. Such provisions of article 1526 do not apply to "*leasing finanziario di godimento*" in respect of which the general provisions of the Italian civil code shall apply; according to article 1458, paragraph 1, of

the Italian civil code, termination of a lease contract for breach of contract has, as between the parties thereto, a retroactive effect unless the lease contract provides for continuing performance, in which case the termination does not affect those acts already performed by the parties.

Therefore, according to the above-referenced interpretation of the case law, in the event of termination of a lease contract for breach by the lessee, under "*leasing finanziario di godimento*", the lessor is entitled to have the leased assets returned to him, to retain the amounts received in respect of the rental payments matured prior to termination and, in case of bankruptcy or insolvency of the lessee, to prove for the unpaid rental payments matured before the declaration of bankruptcy. On the contrary, in the event of termination of a "*leasing finanziario traslativo*", the lessee (or the receiver in case of bankruptcy or insolvency of the lessee) has the right to receive from the lessor any amounts paid in respect of rental payments before termination but the lessee must return the leased assets to the lessor and pay to the lessor an equitable compensation for use of the leased assets and where appropriate, damages.

Decree No. 83 has added a new paragraph to article 169-*bis* of the Bankruptcy Law, in order to provide a specific discipline in relation to the consequences of the termination of Financial Leasing contracts. In particular, it has been provided that, in case of termination of a financial leasing contract, the lessor will have the right to receive the leased assets back and must pay to the lessee the difference (if any) between the higher amount deriving from the sale of such leased assets or the other use of it and the outstanding capital amount owed by the lessee to the lessor. When paid, any such sum will become part of the bankruptcy estate. The lessor will have a claim towards the lessee for a credit equal to the difference between the credit held on the date the application is filed and the revenues derived by way of new use of the leased assets.

The 2017 Italian Competition Law introduced two hypothesis of serious breach of contract with respect to Financial Leasings occurring, respectively, when: (i) the lessee fails to pay six monthly instalments or two non-consecutive quarterly instalments or an equivalent amount in the case of Financial Leasings related to real estate leases; (ii) the lessee fails to pay four monthly instalments, also non-consecutive, or an equivalent amount, for other Financial Leasings. Following the termination of the Financial Leasing for serious breach of the contract the lessor may repossess the underlying asset and sell it to third parties in order to satisfy its claims vis-à-vis the lessee with respect to any unpaid Financial Leasing's instalments, present and future (in such latter case, taking into account only the principal amount related to future instalments), the price agreed for the lessee to exercise the purchase option of the underlying asset and the expected cost of recovery and maintenance of the asset prior to its disposal. In case of disposal of the underlying asset: (i) to the extent that the corresponding proceeds are not sufficient to satisfy in full the lessor's claims, the lessor is entitled to the unpaid part of such claims, and (ii) in case of such proceeds exceeding the lessor's claims, the lessor shall pay to the lessee any such excess amount.

Furthermore, the 2017 Italian Competition Law sets forth further rules related to the disposal of the underlying assets; in particular (a) in order to sell the underlying asset, the lessor shall sell it (or reallocate it) at the value resulting from public market surveys, or were such surveys not available with respect to the underlying asset, at the value calculated by an expert chosen by mutual agreement of the parties or, in case of the parties failing to choose such expert, by an independent expert chosen by the lessor among at least three entities previously notified to the lessee, who may then express its preference with respect to the independent expert; and (b) the disposal of the underlying asset shall be carried out in accordance with the criteria of celerity and transparency and the disposal procedure shall be advertised in order to identify the best bidder. In any case it shall be noted that the afore mentioned provisions related to Financial Leasings under the 2017 Italian Competition Law are without prejudice to article 72-*quater* of Royal Decree 16 March 1942, no. 267 (the Italian insolvency law) and article 1, paragraphs 76, 77, 78, 79, 80 and 81 of law 28 December 2015, no. 208.

**Italian insolvency law on leasing**

Article 59 of Legislative Decree No. 5 of 9 January 2006 amended the Bankruptcy Law by introducing a supplemental article 72-*quater* (**Article 72-*quater***) specifically regulating the impact of the insolvency of a lessee or a lessor under financial lease agreements.

Pursuant to Article 72-*quater*, the effects of the insolvency of a lessee on a financial lease agreement are regulated by Article 72 of the Bankruptcy Law (**Article 72**).

Pursuant to Article 72, where a contract is still unexecuted or has not been completely executed by either party, when the lessee is declared bankrupt, the execution of the contract remains suspended until the bankruptcy receiver (*curatore*), with the authorisation of the committee of creditors (*comitato dei creditori*), declares to either: (a) succeed under the contract by assuming all of the relevant contractual obligations; or (b) terminate such contract. In the event of termination of the contract, the lessor is entitled to the restitution of the leased asset and is obliged to pay to the official receivership the difference, if any, between: (a) the higher amount received by the lessor from the sale or other disposal of the leased asset; and (b) the outstanding claims of the lessor in respect of the principal under the lease contract, provided that, however, any instalments paid by the lessee prior to the insolvency are not subject to claw-back, in accordance with article 67, third paragraph, item (a) of the Bankruptcy Law.

Article 72-*quater* further provides that if the temporary continuation of the business is provided, the contract continues to be in force unless the bankruptcy receiver declares the termination of the contract.

The lessor, in turn, has the right to prove his claim in bankruptcy for the difference between: (a) his claim (under the lease contract) as of the date of the bankruptcy; and (b) the amount received from the new assignment of the leased asset.

With reference to the bankruptcy of companies authorised to carry out financial activity in the form of financial leases (such as the Originator), Article 72-*quater* provides that the contract continues; the lessee maintains the option to purchase, on the expiry of the contract, the leased asset, subject to the payment of the relevant instalments and the agreed purchase price.

**Restructuring arrangements in accordance with Law no. 3 of 27 January 2012**

Articles from 6 to 19 of Italian Law no. 3 of 27 January 2012, as amended by Italian Law Decree no. 179 of 18 October 2012 converted into Law no. 221 of 17 December 2012 (the **Law no. 3**), have introduced a special composition procedure for the situations of crisis due to over-indebtedness (*procedimento per la composizione delle crisi da sovraindebitamento*) (the **Over-Indebtedness Composition Procedure**).

The Over-Indebtedness Composition Procedure applies to debtors who/which (i) are in a situation of persisting financial stress between their assets and liabilities which can be promptly liquidated and are seriously not capable of fulfilling their obligations or definitively not capable of fulfilling on a regular basis their obligations, (ii) may not be subject to any other insolvency proceedings, and (iii) have not entered into the Over-Indebtedness Composition Procedure for the last 5 (five) years. Law no. 3 applies both to small enterprises which are not subject to any other insolvency proceedings and to consumers.

The Over-Indebtedness Composition Procedure consists of a restructuring agreement between the debtor and its creditors (the **Restructuring Agreement**). The Restructuring Agreement is proposed by the debtor on the basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the **Plan**).

The Plan shall contain, *inter alia*: (i) the terms of the debt restructuring, including the re-scheduled payment dates and the modalities of payments, (ii) the modalities of liquidation (if any) of the assets; (iii) the security interests (if any) created in favour of the creditors. In addition, the Plan may provide for a payment standstill (*moratoria*) in respect of amounts due to the creditors who/which do not adhere to the Plan for a period not

exceeding 1 (one) year, subject to the conditions that (i) the Plan is capable of ensuring the payment of such amounts at the expiry of the standstill period, and (ii) the Plan is executed by an administrative receiver (*liquidatore*) appointed by the court upon proposal of the Crisis Composition Body (as defined below), and (iii) the standstill (*moratoria*) does not apply to claims which may not be subject to attachment or seizure (*crediti impignorabili*).

The Restructuring Agreement shall be approved by such creditors representing at least 60 (sixty) per cent. of the indebtedness of the debtor. If the approval is achieved, the Restructuring Agreement shall be validated by the court, upon verification that all the requirements provided for by Law no. 3 are satisfied. The court may order that until the Restructuring Agreement is approved (*omologazione*), any individual action is forbidden or suspended (if already pending). Law no. 3 provides for the establishment of composition bodies (*organismi di conciliazione*) (the **Crisis Composition Bodies**). The Crisis Composition Bodies should cooperate with the debtor and its creditors in any activity relating to the Over-Indebtedness Composition Procedure in order to achieve a successful composition. It is only in December 2013 that the first Restructuring Agreement obtained the approval of the court (reference is made to court order (*decreto di omologa*) issued by Court of Pistoia on 27 December 2013) and, as at the date of this Prospectus, the number of Restructuring Agreements being reviewed by courts is still limited.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 (ninety) days from the relevant due date or if the relevant debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

**Consumer credit provisions**

(a) **Consumer credit provisions and enactment of Legislative Decree 141**

The Portfolio comprises Receivables deriving from Leases granted to, *inter alios*, individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities. Such Leases fall within the category of "consumer loans" which, in Italy, is regulated by, amongst others: (i) articles 121 to 126 of the Consolidated Banking Act (where applicable to auto loans financial leases (*leasing finanziari*) and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of legislative decree 13 August 2010 no. 141 (as subsequently amended **Legislative Decree 141**) which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Legislative Decree 141 has become enforceable on 19 September 2010.

(b) **Legislative Decree 141 and existing credit consumer agreements**

Even if Legislative Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive and the implementing measures of Legislative Decree 141, it can be stated that the provisions set by Legislative Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.

(c) **Scope of application**

Prior to the entry into force of Legislative Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmi*o (**CICR**) (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Currently article 122 of the Consolidated Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.

(d) **Right of withdrawal**

Pursuant to article 125-*ter* of the Consolidated Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (i) either from the day of the conclusion of the credit agreement, or (ii) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-*bis* of the Consolidated Banking Act, if that day is later than the date referred to under point (i). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-*duodecies* of the Consumer Code will apply. Pursuant to article 125-*quater* of the Consolidated Banking Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Legislative Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

With regard to the analysis of other provisions of the Consolidated Banking Act on consumer credit agreements, please refer to the section above entitled "*Risk factors*", under the paragraph "*Italian consumer protection legislation*".

**The Issuer**

According to the Securitisation Law, the Issuer shall be a *società di capitali*.

**The enforcement proceedings in general**

The enforcement proceedings can be carried out on the basis of final judgments or other legal instruments known collectively as *titoli esecutivi*.

Save where the law provides otherwise, the enforcement must be preceded by service of the order for the execution (*formula esecutiva*) and the notice to comply (*atto di precetto*).

The notice to comply (*atto di precetto*) is a formal notice by a creditor to his debtor advising that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than 90 days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian code of civil procedure provides for different rules concerning respectively:

- distraint and forced liquidation of mobile goods in possession of the debtor;
- distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and
- distraint and forced liquidation of real estate properties.

The Italian code of civil procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

- first, the debtor's goods are seized;
- second, other creditors may intervene;
- third, the debtor's assets are liquidated; and
- fourth, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

**Enforcement proceedings of mobile goods in possession of the debtor**

With reference to the seizure and forced liquidation of mobile goods in possession of the debtor, seizure begins with the application of the lawyer to the bailiff to proceed at the debtor's house/office or other place and to seize all the debtor's movable assets he will find there. The bailiff may look for the movables assets to seize in the debtor's house or in other places related to him and he is free to evaluate assets found and keep them seized. However, certain items of personal property cannot be seized.

After the seizure, the bailiff writes a record that contains the injunction to the debtor to refrain from any act that would interfere with the liquidation of the seized property and the description of the movables beings seized. Normally the debtor is named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence.

After the seizure, the bailiff must deposit the record and the title executed and the notice to comply in the chancery of the execution judge. In this moment the chancellor will open the file of the execution.

After the deposit of the written petition above, the judge sets the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge provides for the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge sets the lowest price of the sale and the total amount that must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge agrees, he provides consequently for the distribution. If there is no agreement between the creditors the judge provides for the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

The debtor may avoid the seizure by paying the amount due to the bailiff for delivery to the creditor. Such payment does not constitute recognition of the debt and the debtor is not precluded from bringing an action for restitution of the amount, should he prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He may select various types of property and may bring proceedings in more than one district. However, if he selects more properties than necessary to satisfy his right, the debtor may apply to have this selection restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of 90 days, otherwise the seizure lapses.

Normally, the debtor's distrainted property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors in lieu of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 90 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

(a) money received upon the sale or assignment of the debtor's assets;

(b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

(c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge will hear the parties and decide. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

**Insolvency Proceedings**

For sake of completeness, please consider that the entire Italian legal framework governing insolvency and restructuring proceedings is undergoing a deep reforming process. In fact, Legislative Decree no. 14 of 12 January 2019 (the **Code of Business Crisis and Insolvency**) – implementing Delegated Law no. 155/2017 for the reform of the rules governing the corporate crisis and insolvency – was published in the Official Gazette (*Gazzetta Ufficiale*) on 14 February 2019 and will enter into force on 15 August 2020, save for certain provisions that came into force on 16 March 2019 (e.g. provisions on Directors' liability). The main novelties introduced by the Code of Business Crisis and Insolvency are the following: (i) warning instruments and assisted crisis resolution process; (ii) the introduction of a notion of group insolvency; (iii) amendments to the rules governing out-of-court reorganization plans (*piani di risanamento*), court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*), debt restructuring agreement (*accordo di ristrutturazione*) and the bankruptcy proceeding (*fallimento*); and (iv) renaming of the bankruptcy proceeding into judicial liquidation.

**Subrogation**

Legislative Decree 141 has introduced in the Consolidated Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Bersani Decree, replicating though, with some additions, such repealed provisions. The purpose of article 120-*quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the **Subrogation**), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-*quater* of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 working days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent. of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

**Accounting treatment of the Receivables**

Pursuant to Bank of Italy's regulations of 29 March 2000 (*Schemi di bilancio delle società di cartolarizzazione dei crediti*), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"elenco speciale", degli IMEL delle SGR e delle SIM*) the accounting information relating to the securitisation of the Receivables will be contained in the Issuer's *nota integrativa*, which, together with the balance sheet and the profit and loss statements form part of the financial statements of Italian companies.

## GENERAL INFORMATION

### Authorisation

The issue of the Notes has been authorised by resolutions of the quotaholder's meeting of the Issuer passed on 20 October 2020 and 4 November 2020.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

In connection with the listing application, the constitutional documents of the Issuer will be available for inspection on the Securitisation Repository.

### Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest on the Notes, as well as repayment of principal on the Notes, will be from collections made in respect of the Portfolio.

### Approval, listing and admission to trading

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the CSSF), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). **The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. By approving this Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with the provisions of article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019. Investors should make their own assessment as to the suitability of investing in the Notes.**

Application has also been made to the Luxembourg Stock Exchange for the Rated Notes to be admitted to the official list of the Luxembourg Stock Exchange (the **Official List**) and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Rated Notes being "listed" (and all related references) shall mean that the Rated Notes have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. The Class M Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class M Notes on any stock exchange.

This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (being, as at the date of this Prospectus, www.bourse.lu).

### Clearing systems

The Notes will be accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg once the common code are assigned. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg. The ISINs Codes for the Class A Notes, the Class B Notes, the Class C Notes and the Class M Notes are as follows:

| | **Class A Notes** | **Class B Notes** | **Class C Notes** | **Class M Notes** |
|---|---|---|---|---|
| ISIN Code: | IT0005426439 | IT0005426447 | IT0005426454 | IT0005426462 |

The address of Monte Titoli is Piazza degli Affari, 6, 20123 Milan, Italy, the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

**Material adverse change**

Since the date of incorporation, the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus. The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on the date of its incorporation and which will end on 31 December 2020. Consequently, the first statutory accounts of the Issuer are those relating to the fiscal year which will end on 31 December 2020 and expected to be approved in 2021.

Save as disclosed in the section headed "*The Issuer*", there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation (such date being 23 May 2019).

No material contracts or arrangements, other than the Transaction Documents disclosed in this Prospectus, have been entered into by the Issuer since the date of its incorporation.

**Legal and arbitration proceedings**

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 its incorporation, significant effects on the financial position or profitability of the Issuer.

**Interest material to the offer**

Save as described under the section entitled "*Subscription, Sale and Selling Restrictions*" and in the sections describing the Transaction Documents, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

**Accounts**

The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

**Borrowings**

Save as disclosed in this Prospectus, as at the date of this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

**Transparency requirements under the EU Securitisation Regulation**

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation.

Each of the Issuer and the Originator has agreed that FCAB is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at the following website: https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf.

As to pre-pricing information:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of data relating to each Lease (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation), and the information under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation; and

(b) in case of transfer of any Notes by FCAB to third party investors after the Issue Date, the Originator will make available to such investors before pricing through the Securitisation Repository, the information under point (a) of the first subparagraph of article 7(1) upon request, and the information and documentation under points (b) and (d) of the first subparagraph of article 7(1) of the EU Securitisation Regulation.

As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows:

(a) the Servicer shall prepare the Lease Level Report setting out information relating to each Lease as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Lease Level Report (simultaneously with the SR Investor Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Calculation Agent) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date through the Securitisation Repository;

(b) the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer:

  (i) prepare the SR Investor Report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first subparagraph of article 7(1)) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investor Report (simultaneously with the Lease Level Report and the Inside Information and Significant Event Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than each Quarterly Report Date; and

  (ii) prepare the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential

investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than one each Quarterly Report Date (simultaneously with the Lease Level Report and the SR Investor Report delivered to the Reporting Entity by the Servicer and the Calculation Agent respectively);

(c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes promptly after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),

in each case in accordance with the requirements provided by the EU Securitisation Regulation and the applicable Regulatory Technical Standards.

The Originator has acknowledged that it shall perform such role in consideration of the amounts payable to it under the Transaction Documents and has agreed that it will not be entitled to receive any other compensation in connection therewith.

The first SR Investor Report will be available on the Securitisation Repository not later than 15 (fifteen) Business Days following the First Payment Date. The SR Investor Report will be produced monthly and will contain certain information in relation to the Notes and the Portfolio, including details of the amounts paid in respect of the Notes, the main global statistical data regarding the Portfolio as well as any other information required by the EU Securitisation Regulation and the applicable Regulatory Technical Standards and will be updated on a periodic basis, subject to the Calculation Agent having timely received details of each amount or item of information set-out in the Cash Allocation, Management and Payments Agreement. Unless otherwise defined in this Prospectus, the specific defined terms used in each SR Investor Report will be contained in a glossary annexed to the relevant SR Investor Report.

**ECB lease-level data reporting**

Until the date on which the Senior Notes are redeemed in full or cancelled, the Issuer will make available, or cause to be made available through the Originator, to the investors in the Senior Notes, potential investors in the Senior Notes and to firms that generally provide services to investors in the Senior Notes, no later than one month following each Payment Date, the lease-level data and performance information in respect of the Portfolio, by publishing such data and information electronically in the lease-level data repository in compliance with Eurosystem requirements.

**Documents available for inspections**

As long as the Notes are outstanding, copies of the following documents will be available for inspection on the Securitisation Repository:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the annual audited (to the extent required) financial statements of the Issuer. The financial statements and the financial reports are drafted in Italian. The Issuer does not publish statutory interim accounts; and

(c) copies of the following documents:

(i) the Cash Allocation, Management and Payments Agreement;

(ii) the Corporate Administration Agreement;

(iii) the Corporate Services Agreement;

(iv) the Intercreditor Agreement;

(v) the Master Definitions Agreement;

(vi) the Mandate Agreement;

(vii) the Quotaholder Agreement;

(viii) the Master Receivables Purchase Agreement;

(ix) the Purchase Agreements;

(x) the Servicing Agreement;

(xi) the Warranty and Indemnity Agreement;

(xii) the Subscription Agreement;

(xiii) the Stichting Corporate Services Agreement;

(xiv) the Conditions; and

(xv) a copy of this Prospectus.

The documents listed under paragraphs (c)(i) to (xv) (included) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation.

This Prospectus will be published by the Issuer on the website of the Luxembourg Stock Exchange (www.bourse.lu).

**Annual fees and expenses and listing fees**

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately € 160,000 excluding all fees payable to the Servicer under the Servicing Agreement, plus any VAT if applicable.

The estimated aggregate fees (including maintenance fees) payable by the Issuer in connection with the admission of the Rated Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange amount to approximately to € 40,000 (excluding any VAT, if applicable).

**Yield on the Notes**

The yield on the Notes is equal to the following fixed rates applicable in respect of the Notes in accordance with the Conditions:

(i) Class A Notes: 0.35 per cent per annum;

(ii) Class B Notes: 1.15 per cent per annum;

(iii) Class C Notes: 1.70 per cent per annum; and

(iv) Class M Notes: 7.50 per cent per annum.

**LEI**

The legal entity identifier (LEI) of the Issuer is 81560035635AD2B19A53.

## GLOSSARY

**Account** means each of the Collections Account, the Payments Account, the Principal Funds Account, the Interest Funds Account, the Expenses Account, the Securities Account and the Cash Reserve Account and **Accounts** means, as the context may require, any two or more or all of them.

**Account Bank** means BNP Paribas Securities Services, Milan branch acting in its capacity as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any other person for the time being acting as such.

**Account Bank Report** means the report, substantially in the form set out in schedule 1 to the Cash Allocation, Management and Payments Agreement, produced by the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

**Additional Pool** means each Pool, other than the Initial Pool, which may be transferred by the Originator to the Issuer pursuant to a Purchase Agreement, in accordance with the terms of the Master Receivables Purchase Agreement.

**Additional Pool Transfer Effective Date** means, in relation to each Additional Pool, the economic effective date of the relevant transfer from FCAB to the Issuer, as indicated in the relevant Offer.

**Additional Receivables** means the Receivables in an Additional Pool as identified in the relevant Purchase Agreement.

**Advance Purchase Price** means, in respect of the Initial Pool and each Additional Pool, the purchase price payable by the Issuer to the Originator on the Issue Date and on each Payment Date following the relevant Completion Date respectively, being equal to the Instalment Principal Amounts of the Receivables (other than the Instalment Principal Amounts of the Residual Optional Instalments) comprised in each Pool and not yet due as at the relevant Pool Transfer Effective Date (excluded).

**Adverse Claim** means any mortgage, lien, privilege, attachment (*pignoramento*), seizure, constraint or other security interest of whatever nature or other third party claim.

**AIFM Regulation** means the Regulation (EU) no. 231/2013 adopted on 19 December 2012 by the European Commission, as amended and/or supplemented from time to time.

**Amortisation Period** means the period starting from (and including) the earlier of (i) the Payment Date falling in May 2021, and (ii) the occurrence of a Purchase Termination Event and ending on (and including) the earlier of (i) the Cancellation Date, and (ii) the Payment Date on which the Notes will be redeemed in full.

**Arrangers** means BNP Paribas, Crédit Agricole Corporate & Investment Bank, Milan branch, Natixis S.A., Milan branch and UniCredit Bank AG and each of them an **Arranger**.

**Back-up Servicer** means the person to be appointed by the Issuer upon the occurrence of the events specified in clause 6 of the Servicing Agreement.

**Back-up Servicer Facilitator** means Zenith Service, or any other person acting for the time being acting as Back-up Servicer Facilitator pursuant to the Cash Allocation, Management and Payments Agreement.

**Banca Finint** means Banca Finanziaria Internazionale S.p.A., *breviter* Banca Finint S.p.A., a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri,1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups

as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".

**Bankruptcy Law** means the Italian Royal Decree number 267 of 16 March 1942, as amended or superseded from time to time.

**BNP Paribas** means a company incorporated under the laws of the Republic of France as a *société anonyme*, whose registered office is at 16 boulevard des Italiens, 75009 Paris, France, registered with the Chamber of Commerce of Paris under No. 662 042 449 RCS.

**BNP Paribas Securities Services, Milan branch** means BNP Paribas Securities Services, Milan branch, a bank organised and incorporated under the laws of the Republic of France as a *société en commandite par actions*, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch with offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, fiscal code and enrolment in the companies' register of Milan number 13449250151, enrolled under number 5483 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

**Business Day** means a day (other than a Saturday or Sunday) which is not a bank holiday or a public holiday in Turin, Luxembourg, Paris and London and which is a TARGET Settlement Day.

**Calculation Agent** means Banca Finint, in its capacity as calculation agent pursuant to the Cash Allocation, Management and Payments Agreement, or any other person for the time being acting as such.

**Calculation Amount** means €1,000 of nominal amount of the Notes of each Class.

**Calculation Date** means the date falling 4 (four) Business Days before each Payment Date.

**Cancellation Date** means the earlier of (i) following the completion of any proceedings for the collection and/or recovery of all Receivables, the date on which such recoveries (if any) are paid in accordance with the applicable Priority of Payments, (ii) following the sale of the Portfolio, the date on which the proceeds of such sale (if any) are paid in accordance with the applicable Priority of Payments, and (iii) the Payment Date falling on the first anniversary of the Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Priority of Payments).

**Car** means any new or used car or new or used light commercial vehicle, as the case may be, leased under a Lease Agreement.

**Cash Allocation, Management and Payments Agreement** means the agreement so named dated on or about the Issue Date between, the Issuer, the Representative of the Noteholders, the Servicer, the Originator, the Account Bank, the Back-up Servicer Facilitator, the Corporate Servicer, the Calculation Agent and the Principal Paying Agent.

**Cash Reserve** means the monies standing to the credit of the Cash Reserve Account at any given time.

**Cash Reserve Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389105 and IBAN IT33A0347901600000802389105), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Cash Reserve Account.

**Class** means a class of the Notes, being the Senior Notes, the Mezzanine Notes or the Class M Notes and **Classes** shall be construed accordingly.

**Class A Noteholder** means the holder of a Class A Note and **Class A Noteholders** means, as the context may require, the holders of some or all of the Class A Notes.

**Class A Notes** means € 201,000,000 Class A Asset-Backed Fixed Rate Notes due November 2033.

**Class B Noteholder** means the holder of a Class B Note and **Class B Noteholders** means, as the context may require, the holders of some or all of the Class B Notes.

**Class B Notes** means € 7,200,000 Class B Asset-Backed Fixed Rate Notes due November 2033.

**Class C Noteholder** means the holder of a Class C Note and **Class C Noteholders** means, as the context may require, the holders of some or all of the Class C Notes.

**Class C Notes** means € 8,000,000 Class C Asset-Backed Fixed Rate Notes due November 2033.

**Class M Noteholder** means the holder of a Class M Notes and **Class M Noteholders** means, as the context may require, the holders of some or all Class M Notes.

**Class M Notes** means € 12,000,000 Class M Asset-Backed Fixed Rate Notes due November 2033.

**Clean-up Call Event** means the circumstance that the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Portfolio is equal to or less than 10% of the Outstanding Principal of the Receivables (excluding the Residual Optional Instalments) comprised in the Initial Pool as at the Initial Pool Transfer Effective Date.

**Clearstream** means Clearstream Banking, *société anonyme*.

**Collateral Security** means any Guarantee or Security Interest granted by Lessees or Guarantors to the Originator in order to guarantee or secure the payment and/or repayment and/or performance of any of the Leases and/or the performance of the obligations of the relevant Lessees under the relevant Lease Agreements including the Guarantees.

**Collection Period** means, both prior and after the service of a Trigger Notice, each period commencing on (and including) a Monthly Report Date and ending on (but excluding) the immediately following Monthly Report Date up to the redemption in full or cancellation of the Notes, the first Collection Period commencing on (and including) the Initial Pool Transfer Effective Date and ending on (but excluding) the first Monthly Report Date.

**Collections** means all amounts in respect of the Receivables and the relevant Collateral Security received or recovered by the Issuer, the Servicer or by any other person delegated by the Servicer under the terms of the Servicing Agreement, and comprising Income Collections and Principal Collections as registered by the EDP FCAB System, on the Lessee's statement of account. Where not specified otherwise, the definition of Collections includes also the Recoveries.

**Collections Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389100 and IBAN IT58V0347901600000802389100), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Collections Account.

**Completion Date** means (i) with respect to the Initial Pool, 27 October 2020, and (ii) with respect to each Additional Pool, the date on which the Originator has received from the Issuer the acceptance of the relevant Offer, in accordance with the terms of the Master Receivables Purchase Agreement.

**Conditions** means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental hereto and any reference to a particular numbered Condition shall be construed accordingly.

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

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

**Consolidated Financial Act** means Italian Legislative Decree number 85 of 24 February 1998, as amended from time to time.

**COR** means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

**Corporate Administration Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Corporate Administrator pursuant to which the Corporate Administrator will provide certain administration services to the Issuer.

**Corporate Administrator** means Banca Finint, in its capacity as corporate administrator pursuant to the Corporate Administration Agreement or any other person for the time being acting as such.

**Corporate Servicer** means FCAB in its capacity as corporate servicer pursuant to the Corporate Services Agreement or any other person for the time being acting as such.

**Corporate Services Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Corporate Servicer pursuant to which the Corporate Servicer will provide certain administration services to the Issuer.

**CRA Regulation** means the Regulation (EC) No. 1060/2009, as amended from time to time.

**Credit and Collections Policies** means the procedures for the granting and disbursement of the Leases and for the management, collection and recovery of Receivables, attached as schedule 1 to the Servicing Agreement.

**Crédit Agricole Corporate & Investment Bank, Milan branch** means a bank and authorised credit institution incorporated under the laws of the Republic of France, registered with the Registre du Commerce et des Sociétés of Nanterre under number 304 187 701, whose registered office is at 12 place des Etats-Units - CS 70052 92547 Montrouge Cedex, France, acting through its Milan branch with offices at Piazza Cavour 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Consolidated Banking Act.

**CRR** means the Regulation (EU) no. 575/2013, as amended from time to time.

**CSSF** means the *Commission de Surveillance du Secteur Financier*, as competent authority under, *inter alia*, the Prospectus Regulation.

**Cumulative Portfolio Limits** means the limits to the purchase of a Pool described in schedule 2 of the Master Receivables Purchase Agreement.

**DBRS** means (i) for the purpose of identifying the DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH, and in each case, any successor to this rating activity, and (ii) in any other case, any entity that is part of the DBRS group or Morningstar Credit Ratings, LLC, which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on its website, or any other applicable regulation.

**DBRS Equivalent Rating** means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

| **DBRS** | **Moody's** | **S&P** | **Fitch** |
|---|---|---|---|
| AAA | Aaa | AAA | AAA |
| AA(high) | Aa1 | AA+ | AA+ |

| | | | |
|---|---|---|---|
| AA | Aa2 | AA | AA |
| AA(low) | Aa3 | AA- | AA- |
| A(high) | A1 | A+ | A+ |
| A | A2 | A | A |
| A(low) | A3 | A- | A- |
| BBB(high) | Baa1 | BBB+ | BBB+ |
| BBB | Baa2 | BBB | BBB |
| BBB(low) | Baa3 | BBB- | BBB- |
| BB(high) | Ba1 | BB+ | BB+ |
| BB | Ba2 | BB | BB |
| BB(low) | Ba3 | BB- | BB- |
| B(high) | B1 | B+ | B+ |
| B | B2 | B | B |
| B(low) | B3 | B- | B- |
| CCC(high) | Caa1 | CCC+ | CCC+ |
| CCC | Caa2 | CCC | CCC |
| CCC(low) | Caa3 | CCC- | CCC- |
| CC | Ca | CC | CC |
| C | C | D | D |

**DBRS Minimum Rating** means: (a) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating

cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**Decree 239** means Italian Legislative Decree number 239 of 1 April 1996, as amended from time to time.

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

**Defaulted Receivable** means each Receivable arising from a Lease Agreement:

(a) in relation to which an Instalment or any other payment due pursuant to the Lease Agreement which gives rise to such Receivable is due but not fully paid and remains unpaid for at least 240 (two hundred and forty) days following the date on which it should have been paid, under the terms of the relevant Lease Agreement;

(b) in relation to which the relevant Lessee is insolvent, or the Servicer has determined that such Receivable cannot be collected, or legal proceedings have been commenced for its collection; or

(c) written-off by the Servicer in accordance with the Credit and Collections Policies.

**Deferred Purchase Price** means any amount payable to the Originator pursuant to item (xv) *Fifteenth* of the Pre-Acceleration Interest Priority of Payments, item (ix) *Ninth* of the Pre-Acceleration Principal Priority of Payments or item (xvii) *Seventeenth* of the Post-Acceleration Priority of Payments, as the case may be.

**Delinquency Rate** means the ratio (expressed as a percentage), calculated at each Monthly Report Date, between:

(a) the Outstanding Principal of the Delinquent Receivables (excluding the Residual Optional Instalments) that have at least 2 (two) Instalments due and unpaid; and

(b) the Outstanding Principal of all Receivables other than the Defaulted Receivables (excluding the Residual Optional Instalments).

**Delinquent Receivable** means each Receivable, other than a Defaulted Receivable, in relation to which a Lessee has not paid at least one Instalment or any other amount due on the basis of the relevant Lease Agreement by the term contractually provided for therein and which has been recorded as such in the EDP FCAB System in compliance with the Credit and Collections Policies, and in any case by no later than 21 (twenty-one) days after the Receivable's due date, and which continues to be classified as such.

**Determination Date** means:

(a) with respect to the Initial Interest Period, the day falling 2 (two) Business Days prior to the Issue Date; and

(b) with respect to each subsequent Interest Period, the date falling 2 (two) Business Days prior to the Payment Date at the beginning of such Interest Period.

**Dodd-Frank Act** means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended.

**EBA** means the European Banking Authority.

**EDP FCAB System** means the information system used by FCAB to manage the Collections, as described in schedule 5 to the Servicing Agreement, as amended and/or replaced from time to time.

**Eligibility Criteria** means the criteria set out in schedule 1 to the Master Receivables Purchase Agreement that must be satisfied by each Receivable on an individual basis.

**Eligible Institution** means a depository institution organised under the laws of any state which is a member of the European Union or of the United States or the UK:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS the rating at least equal to "A" being:

(A) in case a public or private rating has been assigned by DBRS, the higher of (I) the rating one notch below the institution's COR (if assigned), and (II) the long-term senior unsecured debt rating or deposit rating; or

(B) in case a long-term COR has not been assigned by DBRS, the higher of the relevant institution's issue rating, long-term senior unsecured debt rating or deposit rating; or

(C) in case a public or private rating has not been assigned by DBRS, a DBRS Minimum Rating;

(ii) with respect to Fitch, a long-term public rating at least equal to "A" or a short-term public rating at least equal to "F1"; or

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an Eligible Institution Guarantee.

**Eligible Institution Guarantee** means a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of the United States of America or the UK having at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee has been notified to the Rating Agencies.

**Eligible Investment Maturity Date** means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the day falling 4 (four) Business Days prior to each Payment Date.

**Eligible Investments** means:

(a) Euro denominated government bonds or other gilt-edged debt securities denominated in Euro having the following ratings:

(i) with respect to DBRS:

(x) if such investments have a maturity date equal to or lower than 30 (thirty) days: (1) a short-term public or private rating at least equal to "R-1 (high)" in respect of short term debt or a long-term public or private rating at least equal to "AAA" in respect of long-term debt, or (2) in the absence of a public rating by DBRS, a DBRS Minimum Rating at least equal to "AAA" in respect of long-term debt; or

(y) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch, if such investments have a maturity date lower than 30 (thirty) calendar days, a short-term public rating at least equal to "F1+" or a long term public rating at least equal to "AAA",

provided that such investments (i) are in dematerialised form; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) in case of downgrading below the rating levels set out above, shall be liquidated within 30 (thirty) days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (iv) have a maturity date not exceeding the immediately following Eligible Investment Maturity Date; or

(b) Euro denominated bank accounts or deposits (including, for the avoidance of doubt, time deposits) opened with an Eligible Institution provided that such investments (i) are immediately repayable on demand, disposable without any penalty or any loss and have a maturity date falling no later than the immediately following Eligible Investment Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or, in case early disposal or liquidation, the principal amount upon disposal or liquidation is at least equal to the principal amount invested; (iii) shall be transferred, within 30 (thirty) calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at no cost for the Issuer; and (iv) the deposits shall be in Euro; or

(c) Euro denominated money market funds which permit daily liquidation of investments and which are rated (i) "AAA" by DBRS or in the absence of a public or private rating by DBRS the DBRS Equivalent Rating of "AAA" and (ii) "AAA" by Fitch or in the absence of a rating by Fitch, the highest rating from at least two other global rating agencies, are redeemable to a principal amount at maturity equal to the principal amount originally invested, with a maturity date not exceeding the immediately following Eligible Investment Maturity Date,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities, or (iv) any other instrument from time to time specified in the European Central Bank monetary policy regulations as being instruments in which funds underlying asset backed securities eligible as collateral for monetary policy operations sponsored by the European Central Bank may not be invested.

**ESMA** means the European Securities and Markets Authority.

**EU Securitisation Regulation** means Regulation (EU) no. 2402 of 12 December 2017, as amended and/or supplemented from time to time.

**Euro**, **€**, **euro** and **EUR** refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty.

**Euroclear** means Euroclear Bank S.A./N.V.

**Euro-Zone** means the region comprised of member states of the European Union which adopted the euro in accordance with the Treaty.

**Expenses** means:

(a) any documented fees, costs, expenses and taxes required to be paid to any third party creditors of the Issuer (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in, or in connection with, the preservation or enforcement of the Issuer's Rights.

**Expenses Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389104 and IBAN IT63Z0347901600000802389104), as renumbered or redesignated from time to time, or such other account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Expenses Account for the payment of the Expenses.

**Extraordinary Resolution** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

**Factoring Law** means law No. 52 of 21 February 1991, as amended from time to time.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**FATCA Withholding** means any deduction or withholding under FATCA.

**FCAB** means FCA Bank S.p.A.

**FCAB Bank Accounts** means the bank accounts used by FCAB in relation to the collection of any amounts relating to the Receivables, and the details of which shall be promptly notified by FCAB to the Issuer upon request of the latter.

**FCA brand Cars** means Cars manufactured under FCA brand.

**Final Maturity Date** means the Payment Date falling in November 2033.

**Final Repurchase Price** means an amount equal to:

(a) for the Receivables (other than the Defaulted Receivables and the Delinquent Receivables that have 2 (two) or more unpaid Instalments), the aggregate Outstanding Balance of such Receivables (excluding the Residual Optional Instalments) as at the date of repurchase; and

(b) for the Defaulted Receivables and the Delinquent Purchased Receivables that have 2 (two) or more unpaid Instalments, the IFRS 9 Value of such Delinquent Receivables and Defaulted Receivables (excluding the Residual Optional Instalments).

**Fitch** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Fitch Ratings Ireland Limited (Sede secondaria Italiana), and (ii) in any other case, any entity of Fitch Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

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

**Gross Cumulative Default Ratio** means the ratio (expressed as a percentage), calculated by dividing on each Monthly Report Date during the Revolving Period (X) the sum of the principal amount of all the Receivables which have become Defaulted Receivables (excluding the Residual Optional Instalments) since the Issue Date by (Y) the sum of (A) the Outstanding Principal of the Initial Receivables (excluding the Residual Optional Instalments) as at the Initial Pool Transfer Effective Date and (B) the aggregate of the Outstanding Principal of the Additional Receivables (excluding the Residual Optional Instalments) as at their respective Additional Pool Transfer Effective Date, other than any Additional Receivables purchased on or around the Payment Date immediately succeeding such Monthly Report Date.

**Gross Cumulative Default Threshold** means 1 per cent.

**Guarantee** means any surety or other personal guarantee given by a Guarantor to the Originator to guarantee the obligations of a Lessee to repay a Lease.

**Guarantor** means any person, other than the relevant Lessee, who has granted any Collateral Security to the Originator to secure the payment or repayment of any Lease.

**Holder** or **holder** in respect of a Note means the ultimate owner of such Note.

**IFRS 9 Value** means, with reference to any Defaulted Receivable or Delinquent Receivable that has 2 (two) or more unpaid Instalments, the value of such Defaulted Receivable or Delinquent Receivable as determined by the Originator taking into account any expected credit loss in accordance with International Financial Reporting Standard 9 (IFRS 9) (as amended) or any such equivalent financial reporting standard promulgated by the International Accounting Standards Board in order to replace IFRS 9.

**Income Collections** means:

(a) all Instalment Interest Amounts collected by the Issuer or the Servicer in respect of the Receivables and credited to a FCAB Bank Account;

(b) the amount of any Recoveries which the Servicer determines are in respect of Instalment Interest Amounts and credited to a FCAB Bank Account; and

(c) all other amounts received or recovered and paid to the Issuer under or in connection with the Receivables, other than Principal Collections.

**Individual Advance Purchase Price** means the individual purchase price payable by the Issuer to the Originator, being equal to the Instalment Principal Amount of each Receivable (other than the Instalment Principal Amount of the Residual Optional Instalment) comprised in each Pool and not yet due as at the relevant Pool Transfer Effective Date (excluded).

**Initial Execution Date** means 27 October 2020.

**Initial Interest Period** means the first Interest Period beginning on (and including) the Issue Date and ending on (but excluding) the first Payment Date after the Issue Date.

**Initial Pool** means the initial pool of Receivables transferred by the Originator to the Issuer on the Completion Date falling on 27 October 2020 in accordance with the Master Receivables Purchase Agreement.

**Initial Pool Transfer Effective Date** means 24 October 2020.

**Initial Receivables** means the Receivables in the Initial Pool as identified in schedule 6 of the Master Receivables Purchase Agreement.

**Initial Retention Amount** means an amount equal to €100,000 which shall be formed on the Issue Date using Income Collections available to the Issuer on such date.

**Inside Information and Significant Event Report** means the report named as such to be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**Insolvency Event** will have occurred in respect of a company or corporation if:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*",

"*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, reorganisation, dissolution or administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a pignoramento or similar procedure having a similar effect (other than in the case of any portfolio of assets purchased by the Issuer for the purposes of further separate securitisation transactions), unless in the opinion of the Representative of the Noteholders (which may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation and, in the opinion of the Representative of the Noteholders (which may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

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

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

(e) such company or corporation becomes subject to any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is incorporated or is deemed to carry on business.

**Insolvency Proceedings** means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) or analogous proceedings from time to time, including, but not limited to *concordato preventivo*, *amministrazione straordinaria*, *liquidazione coatta amministrativa* and *amministrazione straordinaria delle grandi imprese in crisi o in stato di insolvenza* (an arrangement with creditors prior to bankruptcy, an adjustment of creditors' claims, temporary receivership, compulsory administrative liquidation and the extraordinary administration of large companies in a state of insolvency), and any other such proceedings of other jurisdictions.

**Insolvency Receiver** means, in relation to a company, a liquidator (except in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Representative of the Noteholders or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) provisional liquidator, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

**Insolvency Regulation** means the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings, as amended and/or supplemented from time to time.

**Insolvent** means, in respect of a company or corporation, that:

(a) such company or corporation is deemed unable to pay its debts pursuant to or for the purposes of any applicable law; or

(b) such company or corporation becomes unable to pay its debts as they fall due.

**Instalment** means, in respect of any Lease, each of the scheduled periodic instalment payments payable by the relevant Lessee pursuant to a Lease Agreement, which includes the Instalment Interest Amounts and the Instalment Principal Amount.

**Instalment Interest Amount** means, in relation to an Instalment payable on a given date, the interest component of each Instalment calculated applying a fixed rate instalment repayment plan and any other amount which is not an Instalment Principal Amount on the basis of the EDP FCAB System.

**Instalment Principal Amount** means, in relation to each Instalment, the relevant aggregate amount of (i) the principal component of such Instalment (ii) all proceeds from the related Collateral Security and (iii) every other amount paid under or in relation to the relevant Lease Agreement and referable to such Instalment which is not an Instalment Interest Amount on the basis of the EDP FCAB System.

**Insurance Distribution Directive** means Directive (EU) 2016/97.

**Insurance Policies** means the insurance policies of any kind (including without limitation the "fire and theft insurance policies" or the other policies (covering the risk of engine and mechanic failure in used cars), losses suffered in consequence of car accidents or thefts risks of death, permanent total disability and temporary total invalidity due to car accidents, etc.).

**Intercreditor Agreement** means the agreement so named dated on or about the Issue Date between the Issuer, the Reporting Entity and the Other Issuer Creditors.

**Interest Available Funds** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate, without duplication, of:

(a) all Income Collections standing to the credit of the Interest Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding the interest proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Income Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) all amounts received by the Issuer from any Eligible Investments in excess of the original principal amount invested in the relevant Eligible Investment during the Collection Period immediately preceding such Calculation Date;

(d) all amounts of interest accrued on and credited to the Collections Account, the Cash Reserve Account, the Interest Funds Account and the Principal Funds Account and relating to the Collection Period immediately preceding such Calculation Date;

(e) on any Calculation Date, up to (and including) the Calculation Date immediately preceding the Payment Date on which the Rated Notes will be redeemed in full or cancelled, to the extent of any Interest Shortfall, the lower of (i) that portion of the Cash Reserve which is equal to such Interest Shortfall and (ii) the Cash Reserve;

(f) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date

(or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report);

(g) any amount received by the Issuer from any other Transaction Party during the immediately preceding Collection Period and not already included in any of the items of the definition of Principal Available Funds or in any other item of this definition of Interest Available Funds;

(h) on the Payment Date on which the Notes will be redeemed in full or cancelled, any amount standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes; and

(i) all amounts to be paid on the immediately succeeding Payment Date pursuant to item (i) *First* of the Pre-Acceleration Principal Priority of Payments,

provided that, for so long as the Pre-Acceleration Interest Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments of interest on the Rated Notes and all the other amounts ranking in priority thereto pursuant to the Pre-Acceleration Interest Priority of Payments will be transferred into the Payments Account.

**Interest Funds Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389103 and IBAN IT86Y0347901600000802389103) as renumbered or redesignated from time to time or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Interest Funds Account.

**Interest Payment Amount** has the meaning given to such term in Condition 7.8 *(Determination of Interest Rate and calculation of Interest Payment Amounts*).

**Interest Period** means each period from (and including) a Payment Date to (but excluding) the next following Payment Date, provided that the Initial Interest Period shall begin on (and including) the Issue Date and end on (but excluding) the first Payment Date after the Issue Date.

**Interest Shortfall** means on any Calculation Date, for so long as the Pre-Acceleration Interest Priority of Payments applies, the amount (if any) by which the Interest Available Funds (other than items (e) and (i) of that definition) fall short of the aggregate of all amounts that would be necessary to meet payments under items (i) *First* to (viii) *Eighth* (both included) of the Pre-Acceleration Interest Priority of Payments on the immediately succeeding Payment Date.

**Investment Company Act** means the United States Investment Company Act of 1940, as amended.

**Investor Report** means the report of such name which is prepared by the Calculation Agent on or prior to each Investor Report Date pursuant to the Cash Allocation, Management and Payments Agreement containing information referring to the immediately preceding Collection Period and Interest Period.

**Investor Report Date** means the date falling 15 (fifteen) Business Days after each Payment Date.

**Issue Date** means 11 November 2020.

**Issuer** means Asset-Backed European Securitisation Transaction Eighteen S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00 fully paid up, fiscal code and enrolment with the companies register of Treviso-Belluno number 05021340269, enrolled

in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35739.2 and having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

**Issuer Available Funds** means in respect of any Payment Date, the aggregate of the Interest Available Funds and Principal Available Funds (as determined on the immediately preceding Calculation Date as the context may require).

**Issuer's Rights** means any monetary right arising out in favour of the Issuer against the Lessees and any other monetary right arising out in favour of the Issuer in the context of the Securitisation, including the Collections and the Eligible Investments acquired with the Collections.

**Jaguar and Land Rover brand Cars** means Cars manufactured under Jaguar and Land Rover brand.

**Liabilities** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any VAT or similar tax charged or chargeable in respect of any sum referred to in this definition.

**Lease** means any financial lease (*leasing finanziario*) granted by FCAB to a Lessee under the relevant Lease Agreement.

**Lease Agreements** means each financial leasing agreement between the Originator and a Lessee for the lease of a Car (as subsequently amended and supplemented), from which the Receivables comprised in the Portfolio (satisfying and as selected pursuant to the Eligibility Criteria) arise (excluding for the avoidance of doubt any fleet leasing agreement).

**Lease Level Report** means the report named as such to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.

**Lessees** means the parties which have signed the Lease Agreements with the Originator, and **Lessee** means each of them.

**Mandate Agreement** means the mandate agreement dated on or about the Issue Date between the Issuer and the Representative of the Noteholders.

**Master Definitions Agreement** means the agreement so named dated on or about the Issue Date between the Issuer and the Other Issuer Creditors.

**Master Receivables Purchase Agreement** means the master receivables purchase agreement dated the Initial Execution Date entered into between the Issuer and the Originator.

**Meeting** means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment.

**Mezzanine Noteholder** means the holder of a Mezzanine Note and **Mezzanine Noteholders** means, as the context may require, the holders of some or all of the Mezzanine Notes.

**Mezzanine Notes** means the Class B Notes and the Class C Notes or any of them.

**Moody's** means Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's Italia S.r.l., as the case may be. In particular:

(a) Moody's Investors Service Inc. is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by the ESMA pursuant to article 4(3) of the CRA Regulation; and

(b) Moody's Investors Service Ltd and Moody's Italia S.r.l. are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA.

**Monte Titoli** means Monte Titoli S.p.A., with business address at Piazza degli Affari 6, 20123 Milan, Italy, or any successor thereto.

**Monte Titoli Account Holder** means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System).

**Monthly Report** means the report, substantially in the form set out in schedule 4 to the Servicing Agreement, produced by the Servicer in accordance with the Servicing Agreement.

**Monthly Report Date** means the 6th (sixth) Business Day prior to the first calendar day of each month in each year, provided that the first Monthly Report Date will follow on 23 December 2020.

**Most Senior Class of Notes** means:

(a) the Class A Notes (for so long as there are Class A Notes outstanding); or

(b) if no Class A Notes are then outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or

(c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (for so long as there are Class C Notes outstanding); or

(d) if no Class A Notes, Class B Notes and Class C Notes are then outstanding, the Class M Notes (for so long as there are Class M Notes outstanding).

**Noteholders** means the holders of the Notes.

**Notes** means the Senior Notes, the Mezzanine Notes and the Class M Notes.

**Notes Pre-Amortisation Event** means, in relation to a Calculation Date, the circumstance that the amount of Principal Available Funds remaining after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments on the immediately following Payment Date exceeds 15 per cent. of the Principal Amount Outstanding of the Notes on such Calculation Date.

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

**Offer Date** means, in respect of each Additional Pool, any Business Day during the Revolving Period, which falls between (i) the Business Day immediately following a Monthly Report Date and (ii) the 3rd (third) Business Day preceding the immediately succeeding Calculation Date.

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

**Ordinary Resolution** means any resolution passed at a Meeting, duly convened and held in accordance with the provisions of the Rules by a majority of the votes cast.

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

**Originator** means FCAB, in its capacity as originator of the Receivables.

**Other Issuer Creditors** means the Representative of the Noteholders on its own behalf, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Originator, the Servicer, the Corporate Administrator, the Back-up Servicer Facilitator, the Arrangers, the Stichting Corporate Services Provider, the Subscriber, the Back-up Servicer (if appointed) and any other party who may after the Issue Date accede to the Intercreditor Agreement in accordance with the provisions thereof.

**Outstanding Balance** means, on any relevant date of repurchase and with respect of each Receivable, the aggregate of (i) the Outstanding Principal of such Receivable, (ii) any interest due but unpaid thereon and (iii) any interest invoiced but not yet due thereon, as at such date.

**Outstanding Principal** means, on any relevant date, the aggregate of all the Instalment Principal Amounts of the Receivables not yet due and the Instalment Principal Amounts of the Receivables due and unpaid.

**Paying Agents** means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Condition 10.4 (*Change of Agent*) and the Cash Allocation, Management and Payments Agreement and acting through their respective Specified Offices.

**Payment Date** means the 15th (fifteenth) calendar day of each month or, if any such day is not a Business Day, the immediately following Business Day provided that, following the delivery of a Trigger Notice, it shall also be any other Business Day designated as such by the Representative of the Noteholders after consultation with the Servicer, provided that the first Payment Date will fall in January 2021.

**Payments Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389101 and IBAN IT35W0347901600000802389101), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Payments Account.

**Payments Report** means a report setting out all the payments to be made on the following Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments and the Pre-Acceleration Principal Priority of Payments which is required to be delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

**Pool** means the Initial Pool or an Additional Pool, as the context may require.

**Pool Transfer Effective Date** means (i) in relation to the Initial Pool, the Initial Pool Transfer Effective Date, and (ii) in relation to each Additional Pool, the Additional Pool Transfer Effective Date falling on or after the relevant Monthly Report Date.

**Portfolio** means the portfolio of Receivables transferred by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and comprising the Initial Pool and the Additional Pools.

**Portfolio Weighted Average TAN** means, on each Offer Date with reference to all the Receivables (other than the Defaulted Receivables and excluding the Residual Optional Instalments) comprised in the Portfolio (including the Additional Pool offered for sale), the aggregate of the TAN of each Receivable calculated as follows:

(a) the TAN applicable to the relevant Receivable; multiplied by

(b) the Outstanding Principal, as at the end of the Collection Period immediately preceding the relevant Offer Date (or, in respect of each Receivable comprised in the Additional Pool offered for sale, as at the relevant Additional Pool Transfer Effective Date), of such Receivable,

divided by the aggregate of (i) the Outstanding Principal, as at the end of the Collection Period immediately preceding the relevant Offer Date, of all the Receivables (other than the Defaulted Receivables and excluding the Residual Optional Instalments) comprised in the Portfolio already transferred to the Issuer, and (ii) the Outstanding Principal, as at the relevant Additional Pool Transfer Effective Date, of all the Receivables (excluding the Residual Optional Instalments) comprised in the Additional Pool offered for sale.

**Post-Acceleration Priority of Payments** means the order of priority in which the Issuer Available Funds shall be applied in accordance with Condition 6.3 (*Post-Acceleration Priority of Payments*) and the Intercreditor Agreement.

**Post-Acceleration Report** means a report setting out all the payments to be made under the Post-Acceleration Priority of Payments which shall be delivered by the Calculation Agent from time to time to the Representative of the Noteholders, the Other Issuer Creditors and the Rating Agencies, pursuant to the Cash Allocation, Management and Payments Agreement or upon request of the Representative of the Noteholders.

**Pre-Acceleration Interest Priority of Payments** means the order of priority in which the Interest Available Funds shall be applied in accordance with Condition 6.1 (*Pre-Acceleration Interest Priority of Payments*) and the Intercreditor Agreement.

**Pre-Acceleration Principal Priority of Payments** means the order of priority in which the Principal Available Funds shall be applied in accordance with Condition 6.2 (*Pre-Acceleration Principal Priority of Payments*) and the Intercreditor Agreement.

**Pre-Amortisation Principal Payment Amount** means, during the Revolving Period in respect of any Payment Date following the occurrence of a Notes Pre-Amortisation Event, an amount equal to the Principal Available Funds remaining on such Payment Date after satisfaction of items (i) *First* and (ii) *Second* (A)I. of the Pre-Acceleration Principal Priority of Payments.

**Principal Amount Outstanding** means, on any day:

(a) in relation to a Note, the principal amount of that Note upon issue minus the aggregate amount of any principal payments in respect of that Note which have become due and payable and been paid on or prior to that day;

(b) in relation to each Class, the aggregate of the amount determined in letter (a) above in respect of all Notes outstanding in such Class; and

(c) in relation to the Notes outstanding at any time, the aggregate of the amount determined in letter (a) above in respect of all Notes outstanding, regardless of Class.

**Principal Available Funds** means, on each Calculation Date and in respect of the immediately following Payment Date, the aggregate, without duplication, of:

(a) the Principal Collections standing to the credit of the Principal Funds Account as at such Calculation Date and relating to the Collection Period immediately preceding such Calculation Date (but excluding the principal proceeds collected by the Issuer in the immediately preceding Collection Period upon exercise by a Lessee of the option to purchase the relevant Car or upon sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease));

(b) the Principal Collections invested in Eligible Investments in the Collection Period immediately preceding such Calculation Date;

(c) any amounts to be allocated on the immediately succeeding Payment Date pursuant to items (x) *Tenth* and (xi) *Eleventh* of the Pre-Acceleration Interest Priority of Payments;

(d) any amounts paid into the Principal Funds Account on the immediately preceding Payment Date pursuant to item (ii) *Second* (B) of the Pre-Acceleration Principal Priority of Payments;

(e) on the Calculation Date immediately preceding the earlier of (i) the Final Maturity Date and (ii) the Payment Date on which there are sufficient funds to redeem the Rated Notes in full (or there would be sufficient funds if this item (e) of the definition of Principal Available Funds were to be applied), the amount standing to the credit of the Cash Reserve Account after first deducting any amounts in accordance with item (e) of the definition of Interest Available Funds;

(f) all amounts received from the sale (if any) of the whole Portfolio in case of early redemption of the Notes pursuant to Condition 8.4 (*Optional redemption for clean up call*) or Condition 8.5 (*Optional redemption for taxation reasons*) or following the delivery of a Trigger Notice;

(g) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payments Report),

provided that, for so long as the Pre-Acceleration Principal Priority of Payments applies, if the Servicer fails to deliver the Monthly Report to the Calculation Agent within 2 (two) Business Days following the relevant Monthly Report Date (or such other term, as may be agreed between the Servicer and the Calculation Agent, which enables the Calculation Agent to timely prepare the Payment Report), only a portion of the Principal Available Funds corresponding to the amounts necessary to make payments under item (i) *First* of the Pre-Acceleration Principal Priority of Payments will be transferred into the Payments Account.

**Principal Collections** means the aggregate of:

(a) all Instalment Principal Amounts received by the Servicer and credited to an Account;

(b) any amounts received by the Issuer in respect of the Receivables upon prepayment of any Lease;

(c) any amount paid by the Originator to the Issuer under the Warranty and Indemnity Agreement (including, for the avoidance of doubt, any amount paid by the Originator to the Issuer as repurchase price of individual Receivables);

(d) the amount of Recoveries which the Servicer determines are in respect of Instalment Principal Amounts and which are standing to the credit of the Principal Funds Account; and

(e) all other amounts paid by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement (other than Instalment Interest Amounts), including, for the avoidance of doubt, any principal amount paid by the Originator to the Issuer as repurchase price of individual Receivables.

**Principal Factor** means, at any time and in respect of a Class of Notes, the fraction expressed as a decimal to the eight point of which the numerator is the aggregate Principal Amount Outstanding of the relevant Class of Notes at such time and the denominator is the aggregate Principal Amount Outstanding of the relevant Class of Notes upon issue.

**Principal Funds Account** means the euro denominated account established in the name of the Issuer with the Account Bank (No. 802389102 and IBAN IT12X0347901600000802389102), as renumbered or redesignated from time to time, or such other substitute account as may, in accordance with the terms of the Cash Allocation, Management and Payments Agreement, be the Principal Funds Account.

**Principal Paying Agent** means BNP Paribas Securities Services, Milan branch, in its capacity as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement or any other person for the time being acting as such.

**Principal Payment Amount** has the meaning given to such term in Condition 8.7 (*Calculations on each Calculation Date*).

**Principal Shortfall** means, on any Calculation Date, the difference (if positive) between:

(a) the aggregate Outstanding Principal of all Receivables which have become Defaulted Receivables (excluding the Residual Optional Instalments) from the relevant Pool Transfer Effective Date until the end of the immediately preceding Collection Period (such Outstanding Principal calculated, in relation to each Receivable, as at the end of the Collection Period in which such Receivable has become a Defaulted Receivable); and

(b) the sum of all Interest Available Funds allocated from the first Payment Date after the Issue Date to the Payment Date immediately preceding the relevant Calculation Date in accordance with item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**Priority of Payments** means the Pre-Acceleration Interest Priority of Payments, the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be.

**Promissory Note** means a promissory note payable on demand issued to the Originator by a Lessee or by a Guarantor to guarantee the repayment of amounts due to the Originator under a Lease Agreement.

**Prospectus** means the prospectus prepared by the Issuer in relation to the Notes.

**Prospectus Regulation** means Regulation (EU) 2017/1129.

**Purchase Agreement** means a purchase agreement entered into by the Issuer and the Originator for the purchase of Additional Receivables in accordance with the Master Receivables Purchase Agreement.

**Purchase Termination Event** means each event specified in Condition 13 (*Purchase Termination Events*) and schedule 3 of the Master Receivables Purchase Agreement.

**Quarterly Report Date** means (i) prior to the delivery of a Trigger Notice, the date falling no later than one month after each Payment Date falling in January, April, July and October in each year, or (ii) following the delivery of a Trigger Notice, the date falling no later than one month after each quarterly date designated as Payment Date by the Representative of the Noteholders after consultation with the Servicer, provided that the first Quarterly Report Date will fall in February 2021.

**Quota Capital Account** means a euro-denominated deposit account opened with Banca Monte dei Paschi di Siena S.p.A. (IBAN IT69I0103061622000001849704) or any other account as may replace it in accordance with the Cash Allocation, Management and Payments Agreement into which the sum representing 100 per cent. of the Issuer's equity capital (equal to €10,000) has been deposited and will remain deposited therein until liquidation of the Issuer.

**Quotaholder** means Stichting Tognazzi.

**Quotaholder Agreement** means the quotaholder agreement dated on or about the Issue Date between the Issuer and the Quotaholder.

**Rated Noteholders** means the holders of the Rated Notes.

**Rated Notes** means, collectively, the Senior Notes and the Mezzanine Notes.

**Rating Agencies** means, collectively, DBRS and Fitch.

**Receivable** means, in relation to each Lease Agreement, each and every right, including potential and/or future rights, of the Originator arising under such Lease Agreement and any related Collateral Security as from the relevant Pool Transfer Effective Date (included), assigned to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Purchase Agreement (if applicable), and which include, without limitation:

(a) any and all rights and claims for the payment of outstanding Instalments;

(b) any and all rights and claims for the payment of any amount owed for damages, expenses, charges, costs, fees and ancillary charges;

(c) any and all rights and claims for the payment of any other amount or sum owed for any reason;

(d) the Residual Optional Instalment;

as well as

(a) all related Collateral Security and the rights of the Originator in respect of it, including the right to the delivery of any Promissory Note issued to the Originator as a guarantee of the amounts due to the Originator pursuant to the relevant Lease Agreement, the right to obtain the endorsement thereon in favour of the Originator, as well as the right to the fulfilment and collection of any such Promissory Note;

(b) the liens (*privilegi*) and pre-emption rights (*cause di prelazione*) in the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred in relation to the recovery of amounts due in respect of the Lease Agreement together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, but not limited to the remedy of rescission of contract and the right to declare the Lessees and Guarantors debarred due to lapse of time limit (*decaduti dal beneficio del termine*);

(c) all rights to payment of sums due arising from the Lease Agreements following actions of revocation (*azione revocatoria*) of the said agreements which may be taken against the Originator or the Issuer after each relevant Completion Date in terms of Insolvency Proceedings,

but excluding (i) the VAT relating to the Lease Agreements, (ii) the service and mantainance components, (iii) any insurance premia, and (iv) any expenses connected with the collection of the Receivables (such as commissions for SEPA Direct Debit or bank transfer).

**Recoveries** means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any Delinquent Receivables and credited to a FCAB Bank Account (including, without limitation, any proceeds of the sale or other disposal of the relevant Car upon default of a Lessee in an amount up to all the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalment, of the relevant Lease).

**Regulation 13 August 2018** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as amended and/or supplemented from time to time.

**Regulation S** means Regulation S under the Securities Act.

**Regulatory Technical Standards** means:

(a) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the EU Securitisation Regulation; or

(b) in relation to risk retention requirements, the transitional regulatory technical standards applicable pursuant to article 43 of the EU Securitisation Regulation prior to the entry into force of the relevant regulatory technical standards referred to in paragraph (a) above.

**Relevant Clearing System** means Euroclear and/or Clearstream, Luxembourg.

**Relevant Day-Count Fraction** means, in relation to an Interest Period, the actual number of days in the relevant Interest Period divided by 360.

**Reporting Entity** means FCAB or any other person acting as reporting entity pursuant to article 7(2) of the EU Securitisation Regulation or any other person acting as such under the Securitisation from time to time.

**Representative of the Noteholders** means Banca Finint, acting in its capacity as representative of the Noteholders pursuant to the Subscription Agreement, the Mandate Agreement and the Intercreditor Agreement or any other person for the time being acting as such.

**Residual Optional Instalment** means the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Agreement (if the Lessee elects to exercise its option to purchase the related Car) the Receivables of which have been assigned under the terms of the Master Receivables Purchase Agreement.

**Residual Optional Instalment Purchase Price** means, in respect of each Payment Date and with respect to the Receivables comprised in each Pool, the net proceeds collected by the Issuer or the Servicer on its behalf from the exercise by a Lessee of the option to purchase the relevant Car or from sale or other disposal of the relevant Car in case of default of a Lessee (net of the amount up to the Issuer's outstanding claims in respect of the Instalments, other than the Residual Optional Instalments, of the relevant Lease).

**Retention Amount** means an amount necessary to replenish the Expenses Account up to the Initial Retention Amount plus 2 (two) per cent. of the on-balance sheet expenses which the Issuer paid in the previous Collection Period.

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of (i) the Payment Date falling in April 2021 (included) and (ii) the occurrence of a Purchase Termination Event (excluded).

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

**Securities Account** means the securities account which may be established in the name of the Issuer with the Account Bank, in accordance with the terms of the Cash Allocation, Management and Payments Agreement.

**Securities Act** means the United States Securities Act of 1933, as amended.

**Securitisation** means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

**Securitisation Law** means Italian Law number 130 of 30 April 1999, as amended from time to time.

**Securitisation Repository** means the website of European DataWarehouse (being, as at the date of this Prospectus, www.eurodw.eu) or any other securitisation repository registered pursuant to article 10 of the EU Securitisation Regulation as notified to the investors in the Notes.

**Security Interest** means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

**Senior Noteholder** means the holder of a Senior Note and **Senior Noteholders** means, as the context may require, the holders of some or all of the Senior Notes.

**Senior Notes** means the Class A Notes.

**SEPA Direct Debit** means the payment method through bank direct debit.

**Servicer** means FCAB in its capacity as servicer pursuant to the Servicing Agreement or any other person for the time being acting as such.

**Servicing Agreement** means the agreement dated the Initial Execution Date between the Issuer and the Servicer.

**Settlement Date** means:

(a) in relation to the Initial Pool, the Issue Date; and

(b) in relation to any other Additional Pools, the Payment Date on which the payment of the relevant Advance Purchase Price is made with data certain at law ("*data certa*"), in accordance with articles 1 and 4 of the Securitisation Law.

**Solvency II Regulation** means Regulation (EU) No. 35/2015, as amended from time to time.

**Specified Office** means, with respect to the Principal Paying Agent, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, and with respect to any additional or other Paying Agent appointed pursuant to Condition 10.4 (Change of Agents) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (Change of Agents) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

**SR Investor Report** means the report setting out certain information with respect to the Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation), to be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**Standard & Poor's** or **S&P** means Standard & Poor's Financial Services LLC and/or Standard & Poor's Credit Market Services Europe Limited, as the case may be. In particular:

(a) Standard & Poor's Financial Services LLC is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by ESMA pursuant to article 4(3) of the CRA Regulation; and

(b) Standard & Poor's Credit Market Services Europe Limited are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in

the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA website.

**Stichting Tognazzi** means Stichting Tognazzi, a Dutch foundation established under the laws of The Netherlands having its registered office at Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands, enrolled with fiscal code no. 97841880152 and enrolled with the Chamber of Commerce of Amsterdam under no. 74176935.

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

**Stichting Corporate Services Provider** means Wilmington Trust or any other person acting as stichting corporate services provider under the Securitisation from time to time.

**Subscription Agreement** means the subscription agreement related to the Notes on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Arrangers and the Subscriber.

**Substitute Servicer** means any substitute servicer appointed in accordance with the provisions of the Servicing Agreement.

**TAN** means the annual nominal rate applicable to each Lease Agreement as at the date on which the relevant Lease Agreement is entered into, as adjusted to take into account that the service and maintenance component is not part of the Receivables transferred to the Issuer.

**TARGET2** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

**Target Cash Reserve Amount** means € 3,150,000, provided that, on the Calculation Date immediately preceding the earlier of (a) the Payment Date following the service of a Trigger Notice, (b) the Final Maturity Date or any other date on which the Rated Notes are redeemed in full, and (c) the Cancellation Date, the Target Cash Reserve Amount will be reduced to 0 (zero).

**TARGET Settlement Day** means a day on which the TARGET2 is open for the settlement of payments in euro.

**Tax** means any present or future taxes, duties, assessments or governmental charges of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**Tax Call Event** has the meaning given to such term in Condition 8.5 (*Optional redemption for taxation reasons*).

**Tax Deduction** means any deduction or withholding on account of Tax.

**Tax Redemption Notice** means the notice delivered by the Issuer upon the occurrence of a Tax Call Event, in accordance with Condition 8.5 (*Optional redemption for taxation reasons*).

**Three-Month Rolling-Average Delinquency Rate** means, in relation to a Monthly Report Date during the Revolving Period, the average of the Delinquency Rates each as calculated in relation to each of the three precedent Monthly Report Dates (including, for the avoidance of doubt, the Monthly Report Date on which such average is calculated), it being understood that in relation to (i) the first Monthly Report Date following the Issue Date, the Three-Month Rolling-Average Delinquency Rate will be equal to the Delinquency Rate as

calculated on such date, and (ii) on the second Monthly Report Date following the Issue Date, the Three-Month Rolling-Average Delinquency Rate will be equal to the average of the Delinquency Rates each as calculated in relation to the first Monthly Report Date following the Issue Date and the second Monthly Report Date following the Issue Date.

**Three-Month Rolling-Average Delinquency Rate Threshold** means 2.50 per cent.

**Transaction Documents** means the Cash Allocation, Management and Payments Agreement, the Subscription Agreement, the Conditions, the Corporate Administration Agreement, the Corporate Services Agreement, the Intercreditor Agreement, the Mandate Agreement, the Master Definitions Agreement, the Quotaholder Agreement, the Stichting Corporate Services Agreement, the Master Receivables Purchase Agreement, each Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement and any other documents executed from time to time by the Issuer after the Issue Date in connection with the Securitisation and designated as such by the relevant parties.

**Transaction Party** means any person who is a party to a Transaction Document.

**Treaty** means the treaty establishing the European Community, as amended.

**Trigger Event** means any of the events described in Condition 12.1 (*Trigger Events*).

**Trigger Notice** means the notice described as such in Condition 12.2 (*Delivery of Trigger Notice*).

**UK** means the United Kingdom.

**Uncleared Principal Shortfall Limit** means the circumstance that, for 2 (two) Calculation Dates during the Revolving Period, there are insufficient Interest Available Funds to meet in full, on the immediately following Payment Dates, any Principal Shortfall under item (x) *Tenth* of the Pre-Acceleration Interest Priority of Payments.

**UniCredit Bank AG**, a bank incorporated under the laws of the Federal Republic of Germany as a public company limited by shares (*aktiengesellschaft*), registered with the commercial register administered by the Local Court of Munich at number HR B 421 48, belonging to the "*Gruppo Bancario UniCredit*" and having its head office at Arabellastrasse 12, 81925 München, Federal Republic of Germany.

**Unrated Notes** means the Class M Notes.

**U.S. Risk Retention Rules** means final rules promulgated under Section 15G of the United States Securities Exchange Act of 1934, as amended.

**Usury Law** means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Italian Legislative Decree number 394 of 29 December 2000.

**VAT** means *Imposta sul Valore Aggiuntivo* (*IVA*) as defined in Italian Presidential Decree No. 633 of 26 October 1972, as amended and implemented from time to time, and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to IVA) or elsewhere.

**Volcker Rule** means the restriction adopted under the Dodd-Frank Act and codified as part of the Bank Holding Company Act of 1956 (12 USC § 1851).

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Initial Execution Date between the Originator and the Issuer.

**Weighted Average** means, in relation to a Pool as at each Offer Date, the following formula:

$$W.A.X. = \frac{\sum_{i=1}^{N} X_i * OP_i}{\sum_{i=1}^{N} OP_i}$$

where:

(i) **W.A.X.** means the weighted average relating to the average remaining maturity of the Receivables comprised in the relevant Pool (the **Relevant Calculation Base**);

(ii) **Xi** means the Relevant Calculation Base in relation to an $i^{th}$ Lease;

(iii) **OPi** means the Outstanding Principal (excluding the Residual Optional Instalments) of the $i^{th}$ Lease;

(iv) **i** means the $i^{th}$ Lease (from 1 to N); and

(v) **N** means the total number of Leases included in the relevant Pool.

**Wilmington Trust** means Wilmington Trust SP Services (London) limited, a private limited liability company incorporated under the laws of England, having its registered office at Third Floor, 1 King's Arms Yard London EC2R 7AF, United Kingdom.

**Zenith Service** means Zenith Service S.p.A., a joint stock company (*società per azioni*) with a sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Via V. Betteloni, 2, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Milano - Monza-Brianza - Lodi under number 02200990980, with a share capital of Euro 2,000,000 fully paid-up, enrolled in the register of financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, registered under number 30, ABI Code 32590.2.

**THE ISSUER**

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**BACK-UP SERVICER FACILITATOR**

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