PROSPECTUS DATED 7 APRIL 2014

VOBA N. 5 S.R.L.

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

€201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051
€199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051

Issue Price: 100 per cent

The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Senior Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the €201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051 and the €199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051 (together, the "**Senior Notes**") which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. In connection with the issue of the Senior Notes, the Issuer will also issue the €89,450,000 Class J Residential Mortgage Backed Variable Return Notes due June 2051 (the "**Class J Notes**" and, together with the Senior Notes, the "**Notes**"). No application has been made to list the Class J Notes on any stock exchange. The Class J Notes are not being offered pursuant to this Prospectus, nor this Prospectus will be approved by the Central Bank of Ireland in relation to the Class J Notes. The Notes will be issued on 8 April 2014. This document constitutes a "Prospectus" for the purpose of the listing rules of the Irish Stock Exchange and article 5.3 of the Prospectus Directive and a "*Prospetto Informativo*" for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time.

The principal source of payment of any amounts in respect of the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of residential mortgage loan agreements entered into by Banca Popolare dell'Alto Adige S.C.p.A., as Originator, and certain Debtors, and purchased by the Issuer from the Originator pursuant to the Receivables Purchase Agreement. The Issuer has purchased the Portfolio on 24 February 2014.

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

Interest on the Senior Notes will be payable by reference to successive Interest Periods. Interest on the Senior Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable quarterly in arrears in Euro on 20 June 2014 and thereafter on 20th day of September, December, March and June in each year (or, if any such day is not a Business Day, on the immediately following Business Day). The rate of interest applicable to the Class A1 Notes for each Interest Period shall be the rate offered on each relevant fixing date in the Euro-Zone inter-bank market for three month deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where an interpolated interest rate based on 2 and 3 month deposits in Euro will be substituted for three month Euribor) (as determined in accordance with Senior Notes Condition 7 (*Interest*)), plus a margin of 1 per cent per annum. The rate of interest applicable to the Class A2 Notes for each Interest Period shall be equal to: (i) the lower of (a) the rate offered on each relevant fixing date in the Euro-Zone inter-bank market for three month deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where an interpolated interest rate based on 2 and 3 month deposits in Euro will be substituted for three month Euribor) (as determined in accordance with Senior Notes Condition 7 (*Interest*)) and (b) 6% per annum; plus (ii) a margin of 1 per cent per annum.

The Senior Notes are expected, on issue, to be rated "AAA (sf)" by DBRS Ratings Limited and "AA+sf" by Fitch Italia – Società Italiana per il Rating S.p.A. **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 and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

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

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Principal Paying Agent, the Cash Manager, the Corporate Servicer, the Listing Agent, the Arranger, the Underwriter or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

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

Before the 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*)). Save for the fact that in any event full redemption will have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the Payment Date falling in June 2014, subject to there being sufficient Issuer Available Funds and in accordance with the Priority of Payments.

The Notes may not be offered or sold, directly or indirectly, in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes see the section entitled "*Subscription, Sale and Selling Restrictions*" below.

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

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

Arranger

NATIXIS

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

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which it takes responsibility is true and does not omit anything likely to affect the import of such information.

Banca Popolare dell'Alto Adige S.C.p.A. has provided the information included in this Prospectus in the sections entitled "Regulatory Disclosure and Retention Undertaking", "The Portfolio", "The Originator, the Servicer and the Cash Manager", "Credit and Collection Policy", "Description of the Transaction Documents - The Servicing Agreement" *and* "Description of the Transaction Documents - The Back-up Servicing Agreement" *and any other information contained in this Prospectus relating to itself, the Receivables and the Mortgage Loan Agreements and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Banca Popolare dell'Alto Adige S.C.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

Securitisation Services S.p.A. has provided the information included in this Prospectus in the section entitled "The Calculation Agent, the Back-up Servicer, the Representative of the Noteholders and the Corporate Servicer" *and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Securitisation Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

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

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the *obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Cash Manager and the Account Bank and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts deriving from the Receivables will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as set out in Condition 6 (*Priority of Payments*).*

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

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

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

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

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

*In this Prospectus, unless otherwise specified, references to "***EUR***", "***euro***", "***Euro***" or "***€***" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.*

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

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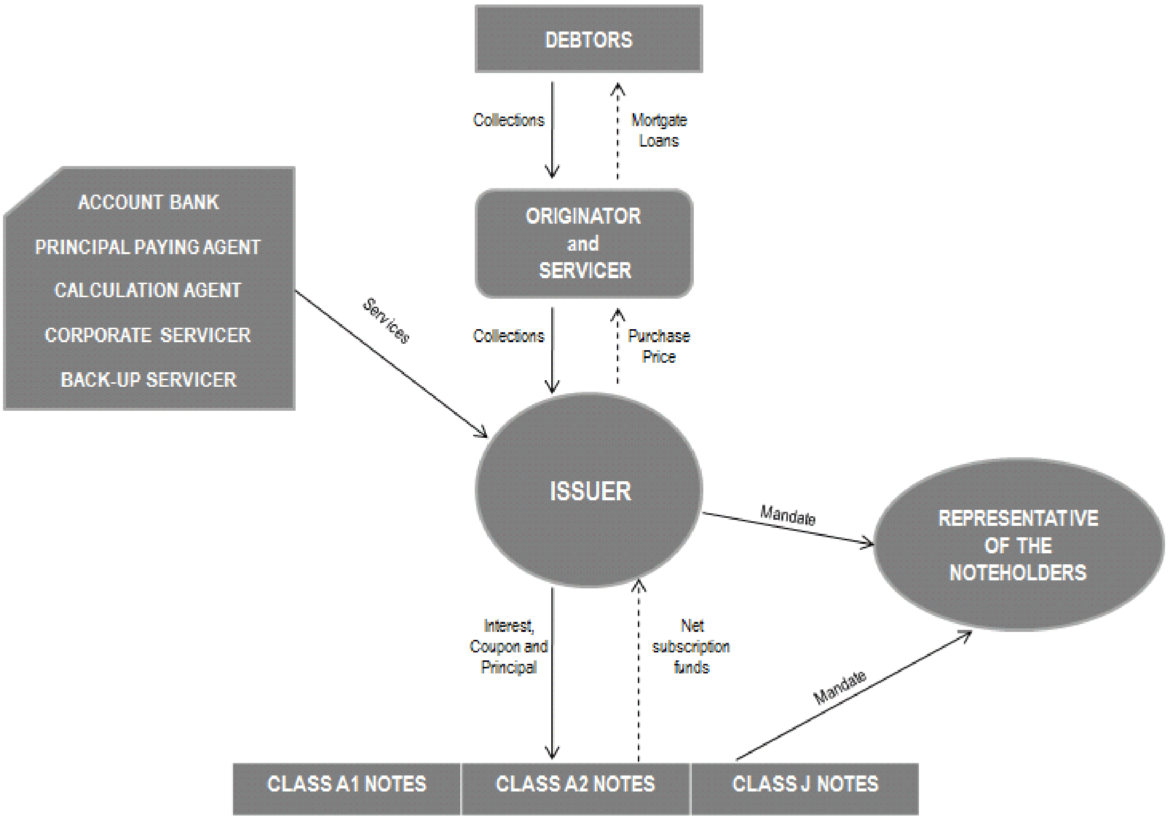
TRANSACTION DIAGRAM

The following is a diagram showing the structure of the Securitisation as at the Issue Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Securitisation on the Issue Date. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.



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

Issuer	**VOBA N. 5 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 number 04641730264, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 29 April 2011 and having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.
Originator	**BANCA POPOLARE DELL'ALTO ADIGE S.C.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società cooperativa per azioni*, having its registered office at Via Siemens, 18, 39100, Bolzano, Italy, net assets of euro 619,062,708 as at 31 December 2012, fiscal code and enrolment with the companies register of Bolzano number 00129730214 and enrolled under number 3630.1.0 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.
Servicer	**BANCA POPOLARE DELL'ALTO ADIGE S.C.P.A.** The Servicer will act as such pursuant to the Servicing Agreement.
Back-up Servicer	**SECURITISATION SERVICES S.P.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni*, share capital of euro 1,595,055.00 fully paid-up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso number 03546510268, currently registered under number 31816 in the general register and in the special register held by the Bank of Italy pursuant to, respectively, articles 106 and 107 of the Consolidated Banking Act, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) pursuant to article 2497 of the Italian civil code of Finanziaria Internazionale Holding S.p.A. The Back-up Servicer will act as such pursuant to the Back-up Servicing Agreement.

Representative of the Noteholders	**SECURITISATION SERVICES S.P.A.** The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Deed of Pledge, the Intercreditor Agreement and the Mandate Agreement.
Calculation Agent	**SECURITISATION SERVICES S.P.A.** The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Account Bank	**BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH**, a company organised and incorporated under the laws of the Republic of France, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices at Via Ansperto, 5, 20123, Milan, Italy, 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. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Cash Manager	**BANCA POPOLARE DELL'ALTO ADIGE S.C.P.A.** The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Principal Paying Agent	**BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH**. The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Corporate Servicer	**SECURITISATION SERVICES S.P.A.** The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Quotaholder	**SVM SECURITISATION VEHICLES MANAGEMENT S.R.L.**, a company with sole quotaholder incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata*, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 30,000 fully paid up, fiscal code and enrolment in the companies register of Treviso number 03546650262.
Listing Agent	**BNP PARIBAS SECURITIES SERVICES**, acting through its Luxembourg branch with offices at 33, rue de Gasperich, Howald – Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.
Arranger	**NATIXIS S.A.**, a bank incorporated under the laws of France, having its registered office at 30, avenue Pierre-Mendes France, 75013 Paris, France.

Underwriter	**BANCA POPOLARE DELL'ALTO ADIGE S.C.P.A.**

2. **THE PRINCIPAL FEATURES OF THE NOTES**

The Notes

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

Senior Notes

€201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051

€199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051

Class J Notes

€89,450,000 Class J Residential Mortgage Backed Variable Return Notes due June 2051

Issue price

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

Class	*Issue Price*
Class A1	100 per cent
Class A2	100 per cent
Class J	100 per cent

Interest on the Senior Notes

The Class A1 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the Euribor for three months deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where an interpolated interest rate based on 2 and 3 month deposits in Euro will be substituted for three month Euribor), plus a margin of 1 per cent per annum.

The Class A2 Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to: (i) the lower of (a) the rate offered on each relevant fixing date in the Euro-Zone inter-bank market for three month deposits in Euro (so long as no Trigger Notice has been served and except in respect of the Initial Interest Period, where an interpolated interest rate based on 2 and 3 month deposits in Euro will be substituted for three month Euribor) (as determined in accordance with Senior Notes Condition 7 (*Interest*)) and (b) 6% per annum; plus (ii) a margin of 1 per cent per annum.

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

Days prior to the Issue Date).

Interest in respect of the Senior Notes will accrue on a daily basis and will be payable in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Senior Notes will be due on the Payment Date falling in June 2014 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Variable Return on the Class J Notes

A Variable Return, if any, shall be payable on the Class J Notes on each Payment Date in accordance with the Class J Notes Conditions. The Variable Return payable on the Class J Notes on each Payment Date will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Variable Return on the Class J Notes in accordance with the applicable Priority of Payments.

Class J Notes Conditions

Except for Class J Notes Conditions 3.1 (*Denomination*), 7 (*Variable Return*), 8.3 (*Optional redemption*) and 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the terms and conditions of the Class J Notes are substantially the same, *mutatis mutandis*, as the Senior Notes Conditions. In addition, the Class J Notes Conditions provide that the Class J Notes rank, for all purposes, subordinated to the Senior Notes (see for further details section headed "*Ranking, status and subordination*" below).

Form and denomination

The denomination of the Senior Notes and of the Class J Notes will be, respectively, €100,000 and €50,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Financial Laws Consolidation Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Ranking, status and subordination

In respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro* rata without any preference or priority among themselves, but in priority to repayment of principal due on the Senior Notes and to payments of any amount due on the Class J Notes; and

(ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class J Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and repayment of principal due on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount.

In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes but in priority to repayment of principal due on the Class A2 Notes and payments of any amount due on the Class J Notes;

(ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes and repayment of principal due on the Class A1 Notes but in priority to payment of any amount due on the Class J Notes;

(iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to the Variable Return until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Class J Notes Retained Amount.

Following the delivery of a Trigger Notice, in respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) and to repay principal on the Notes, the Conditions provide that:

(i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the

Class J Notes; and

(ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

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

Withholding on the Notes

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

Mandatory redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

Optional redemption

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the earlier of: (i) the Payment Date falling in December 2023; and (ii) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to 10% of the Principal Amount Outstanding of the Senior Notes upon issue (the "**Clean Up Option Date**"), the Issuer may redeem the Senior Notes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Pre Trigger Notice Priority of Payments, subject to the Issuer:

(i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and

(ii) delivering, prior to the notice referred to in paragraph (i) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Pre Trigger Notice Priority of Payments.

The Issuer may obtain the funds necessary to finance the early redemption of the Notes through the sale of the Portfolio to the Originator. Pursuant to the Receivables Purchase Agreement, the Issuer has granted to the Originator, in accordance with article 1331 of the Italian civil code, an option right pursuant to which, on any Payment Date falling on or after the Clean Up Option Date, the Originator may repurchase, without recourse, from the Issuer the outstanding Portfolio, in accordance with the provisions of article 58 of the Consolidated Banking Act and subject to the conditions set out in the Receivables Purchase Agreement, at a purchase price which (together with the other Issuer Available Funds) shall be sufficient to pay at least the Senior Notes at their Principal Amount Outstanding, together with interest accrued thereon and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Pre Trigger Notice Priority of Payments. The Issuer has undertaken, in the Receivables Purchase Agreement, to apply the purchase price received by the Originator following the exercise by the latter of the option referred to above in performing the optional redemption of the Notes in accordance with the Pre Trigger Notice Priority of Payments.

Optional redemption for taxation reasons

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

(i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

(ii) any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

and provided that the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by the Issuer to the effect that the obligation to make a tax deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Pre Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Class J Notes (or, in case of redemption in part of the Class J Notes, the relevant portion of its outstanding liabilities in respect of the Class J Notes, the Class J Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Pre Trigger Notice Priority of Payments,

the Issuer may, subject to as provided in the Conditions, redeem in whole (but not in part) the Senior Notes and in whole (or in part, the Class J Noteholders having consented to such partial redemption) the Class J Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

Final Maturity Date

Unless previously redeemed in full or cancelled, the Notes are due to be repaid in full at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on their Final Maturity Date, shall be cancelled.

Segregation of Issuer's Rights

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

The Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio and the Issuer's Rights. Italian law governs the delegation of such power. In addition, security over certain rights of the Issuer arising out of certain Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge for the benefit of the Noteholders and the Other Issuer Creditors.

Trigger Events

If any of the following events occurs:

(i) *Non-payment:*

the Issuer defaults in the payment of the Interest Payment Amount and/or the amount of principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

(ii) *Breach of other obligations under or in respect of the Most Senior Class of Notes:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes (other than any obligation for the payment of the Interest Payment Amount and/or the amount of principal due and payable on the Most Senior Class of Notes pursuant to (i) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for ten calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(iii) *Breach of other obligations and representations and warranties by the Issuer:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents (other than the obligations specified under (i) and (ii) above) or 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 sole opinion of the Representative of the Noteholders, such default or such breach is not capable of remedy in which case no notice requiring remedy will be required) such default or such breach remains unremedied for ten calendar days after the Representative of the Noteholders has given written notice of the occurrence of such default to the Issuer requiring the same to be remedied; or

(iv) *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

(v) *Unlawfulness:*

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

then the Representative of the Noteholders:

(1) in the case of a Trigger Event under items (i) and (ii) above, shall; and

(2) in the case of any other Trigger Event above, may in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall,

serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which payment of any amounts due in respect of the Notes shall be made according to the order of priority set out in Condition 6.2 and described under "*Post Trigger Notice Priority of Payments*" below and on such dates as the Representative of the Noteholders may determine. In addition, 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 if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby.

Non petition

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

(i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security;

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

(iii) until the date falling on the later of (i) one year and one day (or, in the event of prepayment of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer;

and

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

Limited recourse obligations of Issuer

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

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

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

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

The Organisation of the

The Organisation of the Noteholders shall be established upon

Noteholders and the Representative of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by Banca Popolare dell'Alto Adige S.C.p.A. in the Subscription Agreements. Each Noteholder is deemed to accept such appointment.

Rating

The Senior Notes are expected, on issue, to be rated "AAA (sf)" by DBRS Ratings Limited and "AA+sf" by Fitch Italia – Società Italiana per il Rating S.p.A.

It is not expected that the Class J Notes will 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.

As of the date hereof, DBRS Ratings Limited and Fitch Italia – Società Italiana per il Rating S.p.A. are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 (the "**CRA Regulation**"), as it appears from the most updated list published by European Securities and Markets Authority (ESMA) on the ESMA website.

Listing and admission to trading

Application has been made to list the Senior Notes on the official list of the Irish Stock Exchange and to admit the Senior Notes to trading on the Regulated Market.

Governing Law

The Notes will be governed by Italian Law.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Collection Account, the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts (if any) in respect of interest and profit accrued or generated and paid on the Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period.

Following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall comprise, in addition to the amounts set out above, any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

Pre Trigger Notice Priority of Payments

Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

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

Second, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

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

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A1 Notes and the Class A2 Notes on such Payment Date;

Sixth, to credit into the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Target Cash Reserve Amount;

Seventh, to pay, *pari passu* and *pro rata*, on the Class A1 Notes the Principal Amount Outstanding in respect of the Class A1 Notes on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata*, on the Class A2 Notes the Principal Amount Outstanding in respect of the Class A2 Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata*, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Pre Trigger Notice Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement and to the Servicer the Junior Servicing Fees;

Eleventh, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Twelfth, to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

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

Post Trigger Notice Priority of Payments

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses in accordance with applicable law relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A1 Notes and the Class A2 Notes on such Payment Date;

Sixth, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding in respect of the Class A1 Notes and the Class A2 Notes;

Seventh, to pay any amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement and to the Servicer the Junior Servicing Fees;

Ninth, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Tenth to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

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

4. TRANSFER OF THE PORTFOLIO

The Portfolio

The principal source of payment of any amounts due on the Notes will be Collections made in respect of the Portfolio purchased on 24 February 2014 by the Issuer pursuant to the terms of the Receivables Purchase Agreement.

The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Debtors to pay amounts due under the Mortgage Loan Agreements, in accordance with the Securitisation Law and subject to the terms and conditions of the Receivables Purchase Agreement.

The Purchase Price in respect of the Portfolio, equal to the sum of all Individual Purchase Prices of the relevant Receivables, will be paid on the Issue Date using the net proceeds of the issue of the Notes.

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

Servicing of the Portfolio

On 24 February 2014, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

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

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

Back-up Servicing Agreement

Under the Back-up Servicing Agreement, the Back-up Servicer has agreed, subject to the provisions set out therein, to assume, following the notification of the termination of the appointment of the Servicer in accordance with the Servicing Agreement, the role of Servicer and therefore collect the Receivables, administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law and substantially in accordance with the provisions of the Servicing Agreement.

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

Warranties and indemnities

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

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

5. **CREDIT STRUCTURE**

Intercreditor Agreement

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

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

Retention and information undertakings

In the Intercreditor Agreement, the Originator has undertaken (i) to retain as at the Issue Date and on an ongoing basis a material net economic interest not lower than 5% in the Securitisation described in this Prospectus and (ii) to make available, on the Issue Date and then on a quarterly basis, through the Investors Report, certain information to prospective investors.

See for further details the section headed "*Regulatory Disclosure and Retention Undertaking*".

Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement, the Account Bank, the Cash Manager, the Calculation Agent, the Corporate Servicer and the Principal Paying Agent have agreed to provide the Issuer with certain 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 Accounts and the Expenses Account and with certain agency services.

The Calculation Agent has agreed to prepare: (i) on or prior to each Calculation Date, the Payments Report containing, *inter alia,* details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the

Priority of Payments, and (ii) not later than the second Business Day following each Payment Date, the Investors Report. On each Payment Date, the Principal Paying Agent shall apply amounts transferred to it out of the Payments Account in making payments to the Noteholders in accordance with the Priority of Payments, as set out in the Payments Report.

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

Cash Reserve

Part of the proceeds of the issuance of the Class J Notes (in an amount equal to the amount of the Cash Reserve Initial Amount) shall be deposited by the Issuer on the Issue Date in the Payments Account and, on the same date, transferred to the Cash Reserve Account to form the Cash Reserve.

The Cash Reserve will be used on each Payment Date, together with the Issuer Available Funds for making the payments under items from *First* to *Fifth* of the Pre Trigger Notice Priority of Payments.

Prior to the delivery of a Trigger Notice and up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Cash Reserve Account will be replenished on any Payment Date, to the extent there are Issuer Available Funds applicable for such purpose, up to the Target Cash Reserve Amount, in accordance with the Pre Trigger Notice Priority of Payments.

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents 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.

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

Corporate Services Agreement

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

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

Transaction Documents - The Corporate Services Agreement".

Deed of Pledge

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

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

6. THE ACCOUNTS

Collection Account

Pursuant to the Servicing Agreement and the Cash Allocation, Management and Payments Agreement, the Servicer shall credit to the Collection Account all the amounts received or recovered under the Receivables on the Business Day on which such amounts are so received or recovered.

The Collection Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Payments Account

All amounts payable on each Payment Date will, two Business Days (or one Business Day, for as long as the Principal Paying Agent and the Account Bank are the same entity) prior to such Payment Date, be paid into the Payments Account established in the name of the Issuer with the Account Bank.

The Payments Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Cash Reserve Account

The Issuer has established with the Account Bank the Cash Reserve Account. Part of the proceeds of the issuance of the Class J Notes shall be deposited by the Issuer on the Issue Date in the Payments Account and, on the same date, transferred to the Cash Reserve Account to form the Cash Reserve.

The Cash Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Prior to the delivery of a Trigger Notice and up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Cash Reserve Account will be replenished on any Payment Date, to the extent there are Issuer Available Funds applicable for such purpose, up to the Target Cash Reserve Amount, in accordance with the Pre Trigger Notice Priority of Payments.

On the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds (inclusive of the balance of the Cash Reserve Account) are sufficient to repay in full on such Payment Date the Senior Notes, the Calculation Agent shall consider the Target Cash Reserve Amount to be equal to zero, the amounts standing to the credit of the Cash Reserve Account shall be transferred into the Payments Account pursuant to the Cash Allocation, Management and Payments Agreement and, as soon as practicable thereafter, the Cash Reserve Account shall be closed.

Securities Account

The Issuer has established with the Account Bank the Securities Account in which any Eligible Investments purchased using funds standing to the credit of the Collection Account, the Cash Reserve Account and the Payaments Account represented by securities shall be deposited or recorded.

The Securities Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Expenses Account

The Issuer has established the Expenses Account with Banca Monte dei Paschi di Siena S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, a pre-determined amount will be credited which will be used by the Issuer to pay any Expenses.

Quota Capital Account

The Issuer has established the Quota Capital Account with Banca Monte dei Paschi di Siena S.p.A., for the deposit of its paid quota capital.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

On 26 June 2013, the European Parliament and the European Council adopted the Directive 2013/36/EC (the "**CRD IV**") and the Regulation 575/2013/CE (the "**CRR**") repealing in full the so-called capital requirements directive (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC).

Pursuant to article 67 of the CRD IV, an institution is subject to administrative penalties and other administrative measures if, *inter alia*, it is exposed to the credit risk of a securitisation position without satisfying the conditions set out in article 405 of the CRR ("**Article 405**"). Article 405 specifies that an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in such securitisation.

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the *Circolare n. 285 (Disposizioni di Vigilanza per le Banche)* entered into force in 1 January 2014.

As specified below, in the Intercreditor Agreement, Banca Popolare dell'Alto Adige S.C.p.A., in its capacity as Originator, has undertaken to the Issuer and the Other Issuer Creditors that it will retain at the Issue Date and maintain on an ongoing basis a net economic interest in the Securitisation described in this Prospectus not lower than 5% in accordance with option (d) of Article 405 (i.e. "*the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5% of the nominal value of the securitised exposures*") or, in accordance with Article 405, any alternative permitted method to the extent that adequate prior disclosure on such alternative method has been given, *inter alios*, to the Senior Noteholders. Notice of such alternative method shall be given to the Noteholders through the systems of Monte Titoli and, as long as the Senior Notes are listed on the Official List of the Irish Stock Exchange, be published on the website of the Irish Stock Exchange, in accordance with Condition 16 (*Notices*).

In particular, the Originator has undertaken to retain all the Class J Notes which represent around 18.66% of the Outstanding Principal of the Receivables comprised in the Portfolio as at the Issue Date.

Pursuant to Article 405, the Originator is prohibited from hedging or otherwise transferring the retained risk. Accordingly, under the Intercreditor Agreement, the Originator has undertaken that the retention requirement shall not be subject to any credit risk mitigation or any other hedge, within the limits of Article 405.

Article 406 of the CRR further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transaction, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an ongoing basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in article 406 of the CRR will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, article 409 of the CRR requires originators sponsors and original lenders to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

Banca Popolare dell'Alto Adige S.C.p.A., in its capacity as Originator, (i) has made available on the Issue Date and (ii) has undertaken in the Intercreditor Agreement to make available on a quarterly basis, the information required by article 409 of the CRR necessary to prospective investors for the purposes above. Such information will include: (a) aggregate amount of Collections related to the Receivables collected during the relevant Quarterly Collection Period; (b) a description, by aggregate amounts, of the Portfolio during the relevant Quarterly Collection Period similar to the information contained in the section headed "*The Portfolio*"; (c) net economic interest held by the Originator in the Securitisation; and (d) any further information, required by article 409 of the CRR, as implemented from time to time, and not covered under points (a) to (c) above. The information listed under (a) and (c) above will be included in the Investors Report and published, on a quarterly basis, on the Calculation Agent's web site (www.securitisation-services.com). The information listed under (b) and (d) above will be available on the web site of Banca Popolare dell'Alto Adige S.C.p.A. (www.bancapopolare.it).

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

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, it is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

RISK FACTORS IN RELATION TO THE ISSUER

Securitisation Law

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

Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Portfolio, (ii) the amounts standing to the credit of the Cash Reserve Account; and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

No independent investigation in relation to the Receivables

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

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

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the Scheduled Instalment Dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Senior Notes through the support provided to the Issuer in respect of interest payments on the Senior Notes by the Cash Reserve.

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the Mortgage Loans in order to discharge all amounts due from the Debtors under the Mortgage Loan Agreements. With respect to the Senior Notes, this risk is mitigated by the credit support provided by the Class J Notes and, with reference to the payment of interest on the Senior Notes, the availability of the Cash Reserve. No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

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

Credit risk on Banca Popolare dell'Alto Adige S.C.p.A. and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by Banca Popolare dell'Alto Adige S.C.p.A. (in any capacity) and the other parties to the Transaction Documents of their respective obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any). The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

It is not certain that a suitable alternative Servicer could be found to service the Portfolio if Banca Popolare dell'Alto Adige S.C.p.A. becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative Servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement. On or about the Issue Date, the Issuer, the Servicer and the Back-up Servicer entered into a Back-up Servicing Agreement pursuant to which, in the event of (i) notification of the termination of the appointment of the Servicer under the Servicing Agreement and (ii) the appointment of the Back-up Servicer as successor servicer becoming effective, subject to the provisions of the Back-up Servicing Agreement, (A) the Back-up Servicer will assume and perform all the obligations of the Servicer under the Servicing Agreement and any other Transaction Document to which the Servicer is, or will be, a party (substantially on the terms of the Servicing Agreement and any other Transaction Document to which the Servicer is, or will be, a party) arising on or after the Back-up Servicer Effective Date, as if it had been originally named as Servicer thereunder, and (B) the Servicer will transfer to the Back-up Servicer part of the personnel used for the servicing activities carried out by the Servicer for a period of up to 24 months in order to facilitate a smooth transition from the Servicer to the Back-up Servicer. However, the ability of the Back-up Servicer to fully perform its duties would depend on the information and records available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the Servicer; for this purpose, the Back-up Servicing Agreement sets forth, *inter alia*, an obligation of cooperation of the Servicer in favour of the Back-up Servicer for a period of 12 months as from the date of the termination of the appointment of the Servicer. Therefore, no assurance can be given that Back-up Servicer will continue to service the Portfolio on the same terms as those provided for by the Servicer.

In addition, the Issuer is subject to the risk that, in the event of insolvency of Banca Popolare dell'Alto Adige S.C.p.A., the Collections then held by the Servicer and not yet credited into the Collection Account are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as the obligation of Banca Popolare dell'Alto Adige S.C.p.A. in the Servicing Agreement to credit any Collections and Recoveries to the Collection Account (which shall at all times be maintained with an Eligible Institution) on the Business Day on which such amounts are so received or recovered. See for further details the sections headed "*Description of the Transaction Documents - The Servicing Agreement*" and "*Description of the Transaction Documents - The Back-up Servicing Agreement*".

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Senior Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Senior Notes. With respect to the Class A2 Notes, it should be noted that the relevant interest rate risk is mitigated by three month Euribor being capped at 6 per cent per annum.

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolio will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and any amounts deriving therefrom (to the extent such amounts have not been and are not commingled with other sums) will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Portfolio would have the right to claim in respect of the Portfolio, even in a bankruptcy of the Issuer.

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

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to file any petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling on the later of (i) one year and one day (or, in the event of prepayment of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any further securitisation, the Noteholders and the Other Issuer Creditors and the 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 applicable legislation.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account, into which the Retention Amount shall be credited on the Issue Date after the transfer from the Payments Account and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item *First* of the Priority of Payments. In addition, according to the Cash Allocation, Management and Payments Agreement, the Account Bank may, if so instructed by the Representative of the Noteholders or the Issuer, at any time effect a payment in favour of a creditor of the Issuer who is not an Other Issuer Creditor out of the funds then standing to the credit of the Collection Account, to the extent that such payment may not remain outstanding until the next Payment Date, without prejudice to the Issuer and to the extent that funds to the credit of the Expenses Account have not been sufficient for that purpose. Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Further securitisations

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolio subject to the provisions of Condition 5.11 (*Covenants – Further Securitisations*).

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

Changes in the Portfolio composition

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

(i) *Servicing of the Portfolio* - under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as renegotiations, payment suspensions/deferrals and/or settlements in respect of the Mortgage Loan Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the Debtors under the Mortgage Loans. Under the terms of the Servicing Agreement, the Servicer may conclude with the relevant Debtors settlement agreements envisaging amendments to the amortisation plan of the Loans only if certain conditions set by the Servicing Agreement are satisfied;

(ii) *Repurchase rights* - the Originator has been granted an option right to repurchase individual Receivables (either Defaulted Receivables or Delinquent Receivables or Receivables other than the Defaulted Receivables and the Delinquent Receivables), in accordance with and subject to the conditions provided for under the Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option right will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreement provides that the Originator may exercise the repurchase option only if the overall amount of the Receivables repurchased through the exercise of such option does not exceed 5% of the Outstanding Portfolio of the Portfolio as of the Valuation Date.

Tax treatment of the Issuer

Taxable income of the Issuer is determined without any special rights in accordance with Italian Presidential Decree number 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 29 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"elenco speciale", degli IMEL delle SGR e delle SIM*) the assets and liabilities and the costs and revenues of the Issuer in relation to the securitisation of the Receivables will be treated as off-balance sheet assets and liabilities, costs and revenues (except for overhead and general expenses and any amount that the Issuer may apply out of the Issuer Available Funds for the payment of such overhead and general expenses). Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation.

On 24 October 2002, the Revenue Agency – Regional Direction of Lombardy, released a private ruling with reference to some aspects of the Italian taxation of a securitisation vehicle. According to the private ruling, the Agency claimed that the net result of a securitisation transaction is taxable as issuer's taxable income "to the extent that the relevant securitisation transaction is structured in such a way that a net income is available to the vehicle after having discharged all its obligations". Moreover, the Agenzia delle Entrate (the "**Agency**"), with Circular number 8/E of 6 February 2003 and with resolution of 4 August 2010, No. 77/E, has taken the position that only amounts, if any, available to securitisation vehicles after fully discharging their obligations to the noteholders and any other creditors of the securitisation vehicles in respect of any costs, fees and expenses in relation to securitisation transactions should be imputed for tax purposes to the securitisation vehicles. Consequently, according to the quoted position of the Agency, the Issuer should not have any taxable income if no amounts are available to the Issuer after discharging all its obligations deriving from and connected to the Securitisation.

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

Interest accrued on the accounts opened by the Issuer in the Republic of Italy with any Italian resident bank or any Italian branch of a non-Italian bank (including the Collection Account, the Payments Account, the Cash Reserve Account and the Expenses Account) may be subject to withholding tax on account of Italian tax which, as at the date of this Prospectus, is levied at the rate of 20 per cent.

RISK FACTORS IN RELATION TO THE NOTES

Suitability

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any 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 Senior Notes and that they consider the suitability of such Senior Notes as an investment in light of their own circumstances and financial condition.

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

Source of payments to the Noteholders

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Account Bank, the Principal Paying Agent, the Corporate Servicer, the Listing Agent, the Arranger or the Quotaholder. None of any such persons, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

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

Limited recourse nature of the Notes

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

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

Yield and payment considerations

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

Italian Legislative Decree n. 141 of 13 August 2010, as subsequently amended ("**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 mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian Law Decree number 7 of 31 January 2007, as converted into law by Italian Law number 40 of 2 April 2007 (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 prepayment of the loan and/or 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 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% 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.

In order to mitigate the risk that, in case of delays in the conclusion of a Subrogation, the Issuer may be held liable *vis-à-vis* the relevant Debtor on the basis of paragraph 7 of article 120 *quater*, the Servicer has undertaken in the Servicing Agreement, *inter alia*, to timely execute the acts and deeds necessary to comply with any applicable law or regulation; the Servicer would then be obliged to indemnify the Issuer in case of breach of such undertaking.

Italian Law number 244 of 24 December 2007 (the "**2008 Budget Law**"), as amended by Law number 92 of 28 June 2012, provided for the right of borrowers, under mortgage loans related to the purchase of the primary residence ("*prima casa*") and unable to pay the relevant instalments, to request the suspension of payments of instalments due under the relevant mortgage loans on a maximum of two occasions and for a maximum aggregate period of 18 months. The 2008 Budget Law also provided for the establishment of a fund (so called "*Fondo di solidarietà*", the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments. The Fund has been refinanced by the Law Decree number 201 of 6 December 2011 (as converted into law by Law number 214 of 22 December 2011). On 21 June 2010 the Ministry of Economy and Finance enacted the relevant implementing regulations (*Decreto Ministeriale n. 132/2010*), as amended by Ministrial Decree number 37 of 22 February 2013, providing for the possibility, for the borrowers of mortgage loans granted for the purchase of real estate property to be used as the borrower's main residence (*abitazione principale*), having a taxable income not higher than €30,000 per year and with an amount of the relevant mortgage loan not in excess of €250,000, to request the suspension of the relevant mortgage loan upon the occurrence of one of the following events: (i) termination of their employment contract; and (ii) death or cases of supervened non self-sufficiency. The budget of the Fund was, for each of the years 2012 and 2013, of €10,000,000.

Although the potential effects of the above described suspension and renegotiation schemes have been taken into account by the Issuer in the context of the Securitisation, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes, may not be predicted as at the date of this Prospectus.

Subordination

In respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice: (i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro* rata without any preference or priority among themselves, but in priority to repayment of principal due on the Senior Notes and to payments of any amount due on the Class J Notes; and (ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class J Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and repayment of principal due on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount.

In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice: (i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes but in priority to repayment of principal due on the Class A2 Notes and payments of any amount due on the Class J Notes; (ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes and repayment of principal due on the Class A1 Notes but in priority to payment of any amount due on the Class J Notes; and (iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to the Variable Return until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Class J Notes Retained Amount.

Following the delivery of a Trigger Notice, in respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) and to repay principal on the Notes, the Conditions provide that: (i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Class J Notes; and (ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

As long as any Senior Notes is outstanding, unless notice has been given to the Issuer declaring the Senior Notes due and payable, the Class J Notes shall not be capable of being declared due and payable and the Senior Noteholders shall be entitled to determine the remedies to be exercised. Remedies pursued by the Senior Noteholders could be adverse to the interests of the Class J Noteholders.

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

Limited rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules of Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Most Senior Class of Notes the power to determine whether any Noteholder may commence any such individual actions.

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

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

Limited nature of credit ratings assigned to the Senior Notes

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agency's assessment only of the likelihood that interest will be paid timely and principal will be paid by the final redemption date, not that it will be paid when expected or scheduled. These ratings are based, among other things, on the reliability of the payments on the Portfolio and the availability of credit enhancement.

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

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

A rating is not a recommendation to purchase, hold or sell the Notes. Any Rating Agency may lower its ratings or withdraw its ratings if, in the sole judgement of that Rating Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

Market for the Senior Notes

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

Limited liquidity in the secondary market may have an adverse effect on the market value of asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, 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 may fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Eurosystem eligibility criteria

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

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

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

In particular, in Europe, investors should be aware that on 26 June 2013, the European Parliament and the European Council adopted the Directive 2013/36/EC (the "**CRD IV**") and the Regulation 575/2013/CE (the "**CRR**") repealing in full the so-called capital requirements directive (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC).

Pursuant to article 67 of the CRD IV, an institution is subject to administrative penalties and other administrative measures if, *inter alia*, it is exposed to the credit risk of a securitisation position without satisfying the conditions set out in article 405 of the CRR ("**Article 405**"). Article 405 specifies that an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in such securitisation.

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the *Circolare n. 285 (Disposizioni di Vigilanza per le Banche)* entered into force in 1 January 2014.

As specified below, in the Intercreditor Agreement, Banca Popolare dell'Alto Adige S.C.p.A., in its capacity as Originator, has undertaken to the Issuer and the Other Issuer Creditors that it will retain at the Issue Date and maintain on an ongoing basis a net economic interest in the Securitisation described in this Prospectus not lower than 5% in accordance with option (d) of Article 405 (i.e. "*the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5% of the nominal value of the securitised exposures*") or, in accordance with Article 405, any alternative permitted method to the extent that adequate prior disclosure on such alternative method has been given, *inter alios*, to the Senior Noteholders. Notice on such alternative method shall be given to the Noteholders through the systems of Monte Titoli and, as long as the Senior Notes are listed on the Official List of the Irish Stock Exchange, be published on the website of the Irish Stock Exchange, in accordance with Condition 16 (*Notices*).

Pursuant to Article 405, the Originator is prohibited from hedging or otherwise transferring the retained risk. Accordingly, under the Intercreditor Agreement, the Originator has undertaken that the retention requirement shall not be subject to any credit risk mitigation or any other hedge, within the limits of Article 405.

Article 406 of the CRR further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transaction, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an ongoing basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in article 406 of the CRR will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, article 409 of the CRR requires originators sponsors and original lenders to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

Banca Popolare dell'Alto Adige S.C.p.A., in its capacity as Originator, (i) has made available on the Issue Date and (ii) has undertaken in the Intercreditor Agreement to make available on a quarterly basis, the information required by article 409 of the CRR necessary to prospective investors for the purposes above. Such information will include: (a) aggregate amount of Collections related to the Receivables collected during the relevant Quarterly Collection Period; (b) a description, by aggregate amounts, of the Portfolio during the relevant Quarterly Collection Period similar to the information contained in the section headed "*The Portfolio*"; (c) net economic interest held by the Originator in the Securitisation; and (d) any further information, required by article 409 of the CRR, as implemented from time to time, and not covered under points (a) to (c) above. The information listed under (a) and (c) above will be included in the Investors Report and published, on a quarterly basis, on the Calculation Agent's web site (www.securitisation-services.com). The information listed under (b) and (d) above will be available on the web site of Banca Popolare dell'Alto Adige S.C.p.A. (www.bancapopolare.it).

To date there is limited guidance, and no regulatory or judicial determination, on the interpretation and application of the CRD IV and CRR. Until additional guidance is available and such determinations are made, there remains a degree of uncertainty with respect to the interpretation and application of the provisions of the CRD IV and CRR and, in particular, what will be required to demonstrate compliance with Article 405 to national regulators.

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

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger, the Underwriter, the Originator or any other party makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future or compliance of the Securitisation with the relevant investors' supervisory regulations.

Joint disclosure requirements in relation to structured finance instruments

On 20 June 2013, the Regulation (EC) No. 462/2013 amending the Regulation (EC) No 1060/2009 is entered into force. Under the Regulation (EC) No. 462/2013, the issuer, originator and sponsor of a structured finance instrument established in the European Union are required, jointly, to publish information in relation to the credit quality and performance of the underlying assets, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure, together with any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. Such information is to be published on a website which is to be established by ESMA.

However, the details of what is required cannot be known until the publication by ESMA of draft regulatory technical standards which will set out the information which is required to be published and the frequency with which such information must be updated, together with a form of disclosure template.

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

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

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the CRD IV. EU member states were required to implement most rules by 1 January 2014 with the principal exceptions being that the Liquidity Coverage Ratio must be implemented in 2015.

The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

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

Withholding tax under the Senior Notes

Payments of interest and other proceeds under the Senior Notes may or may not be subject to withholding tax or deduction for or on account of Italian tax.

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

At the date of this Prospectus, such substitute tax will be levied at the rate of 20 per cent, or such lower rate as may be applicable under any relevant double taxation treaty.

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

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income ("**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the European Council Directive 2003/48/EC) paid by a person within its jurisdiction to, or collected by such a person for, beneficial owners that are individuals resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply (unless during that period they elect otherwise) a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non EU countries to the exchange of information relating to such payments. Luxembourg announced that it had decided to apply information exchange as per the EC Council Directive 2003/48/EC as from 1st January 2015. The final form of the measures is still unknown.

A number of non EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, beneficial owners that are individuals resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the EC Council Directive 2003/48/EC, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers.

Implementation in Italy of the EU Savings Directive

Italy has implemented the Savings Directive through Legislative Decree number 84 of 18 April 2005 ("**Decree 84**"). Under Decree 84, subject to a number of conditions being met, in the case of interest (including interest accrued on the Notes at the time of their disposal) paid to individuals who qualify as beneficial owners of the interest and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant international agreement, Italian qualified paying agents (i.e. banks, SIMs, fiduciary companies and SGRs resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owners. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are included in business income taxable under general arrangements for business taxation and, in specific cases, UCITS recognised in accordance with Directive 85/611/EEC (as recasted by the Directive 2009/65/CE).

Foreign Account Tax Compliance Act (FATCA)

On March 18, 2010 the United States of America enacted the Foreign Account Tax Compliance Act (FATCA) which introduced a reporting and withholding regime that is applicable, under certain conditions, to foreign financial institutions, i.e. non-U.S. financial institutions, in connection with U.S. accountholders and investors. Such provisions impose detailed reporting requirements for foreign financial institutions. In particular, the foreign financial institution will be subject to 30 per cent U.S. withholding tax on certain payments unless it becomes a "participating foreign financial institution" by entering into an agreement with the Internal Revenue Service (IRS) pursuant to which it will be required to report to the IRS the information required by the FATCA. The FATCA rules may affect also a foreign entity that is not a foreign financial institution, but in this case a different procedure should be applied.

The IRS released several notices between 2010 and 2011 in order to provide guidelines for the application of such rules and, on February 8, 2012, the U.S. Treasury and the IRS released proposed regulations on the implementation of the FATCA. On January 17, 2013, the U.S. Treasury and the IRS released final regulations under the Foreign Account Tax Compliance Act (FATCA) provisions.

In this regard, on February 8, 2012, the Republic of Italy, together with France, Germany, Spain, United Kingdom, and the United States released a joint statement regarding their intention to develop a common intergovernmental approach to FATCA, through the conclusion of bilateral agreements based on the Double Taxation Treaties currently in force. Accordingly, on July 26, 2012, Governments of France, Germany, Italy, Spain and the United States released the "Model Intergovernmental Agreement to Improve Tax Compliance and to Implement FATCA", which establishes a framework for reporting by financial institutions of certain financial account information to their respective tax authorities, followed by automatic exchange of such information under existing bilateral tax treaties or tax information exchange agreements.

The FACTA agreement between Italy and the United States should enter into force on 1st July 2014.

On 10 January 2014, representatives of the governments of Italy and the United States signed an intergovernmental agreement to implementing FATCA in Italy. In order to enter in force, the agreement reached between Italy and the United States must be however ratified by the Italian Parliament through an Italian law provision and the relevant implementing provision shall hence subsequently be approved.

As of the date of this Prospectus, the Republic of Italy has not yet approved the Italian law ratifying the intergovernmental agreement implementing FACTA in Italy and the related implementing provisions. Accordingly it is not completely clear how such provisions will affect the Notes and/or the parties of the Transaction Documents.

GENERAL RISK FACTORS

Claw back of the sales of the Receivables

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

Insolvency proceedings involving the Debtors

Some of the Debtors are legal entities (*persone giuridiche*) – individual companies (*ditte individuali*) or professional associations (*associazioni professionali*) – comprised into the categories of SAE ("*settore d'attività economica*"), as adopted by the Bank of Italy with the *circolare* of 11 February 1991 (as subsequently amended), 614 ("*Artigiani*") or 615 ("*Altre Famiglie Produttrici*"), and, as such, may be subject to insolvency proceedings (*procedure concorsuali*) under the Italian Bankruptcy Law.

With respect to such insolvency proceedings, due to their complexity, the time involved and the possibility for challenges and appeals by the Debtors and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of the outstanding amounts due under the Mortgage Loans or that such proceedings would be concluded before the stated maturity of the Senior Notes. For further details, see the section entitled "*Selected Aspects of Italian Law*".

Restructuring arrangements in accordance with Italian Law number 3 of 27 January 2012

Following the enactment of Italian Law No. 3 of 27 January 2012 (as amended by Decree of the Italian Government No. 179 of 18 October 2012 coordinated with the conversion Italian Law No. 221 of 17 December 2012), a debtor who is neither subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors provided that (i) he/she has not been entered into any such restructuring arrangement in the last five years; (ii) the previous restructuring arrangements have not been annulled or revoked for reasons directly or indirectly ascribable to him/her; (iii) he/she has not alleged to the arrangement documentation which is unsuitable to reconstruct and figure out his/her patrimonial and economic situation.

The new law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over-indebtedness, being a situation recognisable when the "continuing imbalance between the debtor's obligations and his/her highly liquid assets" determines "the relevant difficulties of performing his/her obligations" or the "definitive non capability of duly performing such obligations".

A debtor in a state of over-indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement providing that, among others, those creditors not adhering to such arrangement and those creditors having security interests over the debtor's assets will be repaid in full.

Such draft arrangement will set out, among others, the revised terms for payments due to the creditors, the security interests which may be created to secure such payments and the conditions for the dismissal of the debtor's assets. If the debtor's assets and income are not sufficient to ensure the implementation of the draft arrangement, the draft arrangement must be endorsed by one or more third-parties who undertake to provide, also by way of security, additional assets or income.

Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those secured creditors not adhering to such arrangement for a period of up to one year since the court's certification ("*omologa*").

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order an hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

A favourable vote of creditors representing at least 60% of the relevant claims is required for the approval of the draft restructuring arrangement.

Once the draft restructuring arrangement is approved, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

Upon expiry of such term, the competent body will deliver the relevant report (including any challenge received and a feasibility assessment of the draft restructuring arrangement) to the competent judge who will be entitled, subject to appropriate final verification, to certify (*omologa*) the restructuring arrangement.

Once the restructuring arrangement has been certified, should the debtor be subject to bankruptcy afterwards (indeed, the debtor could become eligible for bankruptcy due to a modification of the size of the enterprise) the payments, agreements and, in general, any deed enacted under the certified restructuring agreement is not subject to claw back.

The competent body will be in charge to supervise the due performance of the obligations arising from the relevant restructuring arrangement. Such arrangement, however, remains subject to termination or may be declared null and void in specific circumstances provided for by applicable law.

It is worth noting that such new legislation provides for also:

(i) a specific restructuring procedure for the consumer. The restructuring plan of the consumer is not submitted to the approval of the creditors but only to the competent Tribunal which shall evaluate the feasibility and suitability of the plan, also taking into account the consumer conduct; and

(ii) a liquidation procedure alternative to the restructuring arrangement. This procedure might apply, *inter alia*, when: (i) the restructuring plan is not carried out by the debtor; (ii) the debtor does not satisfy the claims for taxes and welfare duties; and (iii) frauds against creditors is committed following to the certification of the plan by the court.

Given the novelty of this new legislation, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

Mortgage Loans' performance

The Portfolio is exclusively comprised of mortgage backed loans which were performing as at the Valuation Date (see the section headed "*The Portfolio*"). There can be no guarantee that the Debtors will not default under such Mortgage Loans and that they will therefore continue to perform. The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Mortgage Loans and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

Mutui fondiari

All the Mortgage Loans are secured by a Mortgage. A portion of the Mortgage Loans is comprised of loans qualifying as *mutui fondiari*, as defined in article 38 and subsequent of the Consolidated Banking Act.

A *mutuo fondiario* is a particular type of *mutuo ipotecario* (any loan which is secured by a mortgage is automatically a *mutuo ipotecario* loan). The *mutui fondiari* are regulated by the Consolidated Banking Act and bear with themselves certain advantages for the lender. To qualify as a *mutuo fondiario*, a loan must be: declared by the parties as being a *mutuo fondiario* in the relevant loan agreement, granted by a bank, for a term exceeding 18 months, secured by a first-lien mortgage and for an amount which does not exceed 80% of the value of the mortgaged property or of the works to be done on the mortgaged assets. However, the 80% limit may be increased up to 100% if specific additional security interests and guarantees, identified by the Bank of Italy, are provided (such as guarantees given by other banks or insurance companies or pledges granted over Italian government securities). In such circumstance, the ratio between the amount lent and the aggregate value of the security and guarantee created is not higher than 80%.

With respect to *mutui fondiari*, the Consolidated Banking Act expressly provides, inter alia, that the relevant borrowers:

(a) upon repayment of each fifth of the original debt, are entitled to a proportional reduction of any mortgage related to such loans. Accordingly, the underlying value of the mortgages relating to *mutui fondiari* may decrease from time to time in connection with the partial repayment of the relevant loans;

(b) are entitled to the partial release of one or more mortgage properties where documents produced or professional valuations establish that the remaining encumbered properties constitute sufficient security for the amount still owed, according to the limits described above for loans qualifying as *mutui fondiari*; and

(c) are entitled to prepay the loan, as provided for by article 40 of the Consolidated Banking Act.

Moreover, special enforcement and foreclosure provisions apply to *mutui fondiari*. Pursuant to article 40, paragraph 2 of the Consolidated Banking Act, mortgage lenders under *mutui fondiari* are entitled to terminate the relevant loan agreements and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the borrower has delayed an instalment payment at least seven times whether consecutively or otherwise. A payment is considered delayed if it is made between 30 and 180 days after the relevant payment due date. Accordingly, the commencement of enforcement proceedings in relation to *mutui fondiari* may take longer than usual. Article 40 of the Consolidated Banking Act, therefore, prevents the Servicer from commencing enforcement proceedings to recover amounts in relation to Mortgage Loans qualifying as *mutui fondiari* until the relevant Debtors have defaulted on at least seven payments in accordance with the principles summarised above. Pursuant to article 41 of the Consolidated Banking Act, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender’s debt directly to the lender.

Certain risks relating to the Real Estate Assets

Due Diligence

None of the Issuer, the Arranger or any Other Issuer Creditors has undertaken or will undertake any investigations, searches or other due diligence as to the Debtors' or the Mortgagors' status or the title to the Real Estate Assets. The only due diligence conducted was undertaken by the Originator (or on its behalf) at the time of the origination of the Mortgage Loans, and such due diligence was largely limited to a review of the certificates of title prepared by the relevant Debtor's lawyers, site visits and third party valuations of the Real Estate Assets. No update of such due diligence has been performed in connection with the assignment of the Receivables to the Issuer.

Potential adverse changes to the value of the Real Estate Assets or the Portfolio

No assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Portfolio.

General real estate risk

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the Mortgage Loan Agreements will largely depend upon the value of the Real Estate Assets at the relevant time. The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained. The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Mortgage Loans.

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Mortgage Loans. The value of such security may be affected by, among other things, a decline in property values as described above.

Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced.

Compulsory purchase

Any property in Italy may be subject to a compulsory purchase order in connection with general utility purposes at any time. If a compulsory purchase order is made regarding any of the Real Estate Assets, compensation would be payable to the Debtor (as owner of the relevant Real Estate Asset) on the basis of specific criteria set out in the applicable legislation. There can be no assurance that the amount of such compensation would at least be equal to the value of the relevant Real Estate Asset. In addition, there is often a delay between the completion of a compulsory purchase of a property and the date of payment of the statutory compensation. Any such delay, or a payment of statutory compensation to the Debtor that is lower than the value of the relevant Real Estate Asset, could have an adverse impact on the ability of the Issuer to meet its obligations to pay principal and interest under the Notes.

Insurance coverage

All the Mortgage Loan Agreements provide that the relevant Real Estate Assets must be covered by an Insurance Policy issued by leading insurance companies approved by the Originator. There can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Real Estate Assets and the ability of the relevant Debtor to repay the relevant Mortgage Loan.

Rights of set-off and other rights of the Debtors

Under general principles of Italian law, the Debtors are entitled to exercise rights of set-off in respect of amounts due under any Mortgage Loan Agreement against any amounts payable by the Originator to the relevant Debtor.

The assignment of Receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, Debtors may exercise a right of set-off against the Issuer on claims against the Originator and/or the Issuer which have arisen before both the publication of the notice in the Official Gazette and the registration in the competent companies' register have been completed. Under the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Debtor of a right of set-off. In addition, notice of the transfer of the Receivables was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 26 of 1 March 2014 and was published in the companies register of Treviso on 25 February 2014.

Usury Law

Italian Law number 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 24 March 2014). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

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 the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

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

Recently, the Italian Supreme Court, under decision number 350/2013 has clarified that the default interest are relevant for the purposes of determining if 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.

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

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement that the provisions of the Mortgage Loan Agreements comply with the Italian usury provisions.

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99 and number 2593/03) have held that such practices may not be defined as customary practices ("*uso normativo*").

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

It should be noted that paragraph 2 of article 120 of the Consolidated Banking Law, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by Law number 147 of 27 December 2013. In particular, such Law (become effective on 1 January 2014), although poorly drafted, seems to remove any possibility – with the exception of current accounts, governed by letter a) of the same paragraph – for compounding of interest. However, as at the date of this Prospectus, the relevant implementation provisions, required by the second paragraph of article 120 of the Consolidated Banking Law to be enacted by the Credit Committee, establishing the methods and criteria of compounding of interest, has not yet been enacted and, therefore, the impact of such implementation provisions may not be predicted as at the date of this Prospectus.

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

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

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

Risks arising from the sovereign debt crisis

As a result of the financial markets crisis in the Euro-zone and the sovereign debts in European countries, monetary and political conditions and stability remain uncertain in the EU. In particular, this crisis has raised concerns regarding the debt burden of certain Eurozone countries, including Italy, and their ability to meet financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency. Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis. The unforeseen potential developments or market perceptions concerning these and related issues could adversely affect the value of the Senior Notes or have other consequences for the Senior Noteholders. In particular, the Senior Notes' credit rating is potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-down effect on the credit rating of the Senior Notes.

Change of law

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings assigned to the Senior Notes are based on Italian law, tax and administrative practice in effect at the date hereof, having due regard to the expected tax treatment of all relevant entities under such law and practice.

No assurance can be given that Italian law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Projections, forecast and estimates

Estimates of the expected maturity and expected average lives of the Senior Notes included herein, together with any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Forward-looking statements

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

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

THE PORTFOLIO

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

The Receivables comprised in the Portfolio arise out of residential mortgage loans (*mutui fondiari e ipotecari residenziali*) classified as at the Valuation Date as performing by the Originator, as better specified in the section headed "*The Criteria*", below.

All Receivables comprised in the Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the Criteria listed in annex 1 of the Receivables Purchase Agreement and repeated (following translation in English language) in this Prospectus (see the section headed "*The Criteria*", below).

The Receivables do not and may not consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives.

As at the Valuation Date, the aggregate of the Outstanding Principal and the Accrued Interest of all Receivables comprised in the Portfolio amounted to Euro 479,791,803.44.

The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at 30 October 2013 (the "**Identification Date**") and the Valuation Date.

The Criteria

The Receivables arise out of Mortgage Loans which, as at the Identification Date or, where specified below, as at the Identification Date and 15 January 2014, or, where specified below, as at the Valuation Date or, where specified below, as at the Identification Date and the Valuation Date, met the following criteria:

1.1 were denominated in Euro;

1.2 were *in bonis* as at the Identification Date and 15 January 2014, or in respect of which, as at such dates, there was no instalment unpaid for more than 15 days;

1.3 in respect of which, as at the Valuation Date, there was no more than one instalment unpaid;

1.4 the relevant debtors were comprised, pursuant to the criteria adopted by the Bank of Italy with the *circolare* of 11 February 1991 (as subsequently amended), into the following categories of SAE ("*settore d'attività economica*"): 600 ("*Famiglie Consumatrici*"), 614 ("*Artigiani*") or 615 ("*Altre Famiglie Produttrici*");

1.5 were secured by real estate assets located in Italy;

1.6 the relevant debtors were resident in Italy or had their registered office in Italy;

1.7 the relevant debtor was (i) a natural person (*persona fisica*) which was not an employee of Banca Popolare dell'Alto Adige S.C.p.A., or (ii) a legal entity (*persona giuridica*) – individual company (*ditta individuale*) or professional association (*associazione professionale*) - which was not an entity of the group of Banca Popolare dell'Alto Adige S.C.p.A.;

1.8 were disbursed to (i) natural persons between 11 January 2005 (included) and 24 October 2013 (included) or (ii) individual companies (*ditte individuali*) or professional associations (*associazioni professionali*) between 7 February 2005 (included) and 17 September 2013 (included);

1.9 had a maturity date comprised between 31 January 2015 (included) and 31 May 2044 (included);

1.10 have been fully disbursed and in relation to which there was no obligation to make additional disbursements;

1.11 have been granted for an original amount comprised between Euro 20,000.00 (included) and Euro 1,500,000.00 (included);

1.12 the relevant aggregate outstanding principal amount was comprised between Euro 10,200.00 (excluded) and Euro 1,238,400.00 (excluded);

1.13 had, as at the Identification Date, at least one instalment paid (including principal and/or interest), and as at the Valuation Date, at least one instalment paid (including principal and interest);

1.14 were secured by a first economic ranking mortgage (*ipoteca di primo grado economico*), that is:

1.14.1 a first-ranking priority voluntary mortgage (*ipoteca volontaria di primo grado legale*); or

1.14.2 a voluntary mortgage with subordinate ranking (*ipoteca volontaria di grado legale successivo al primo*) where (A) the mortgage(s) ranking in priority thereto have been cancelled; or (B) the obligations secured by the mortgage(s) ranking in priority thereto have been fully satisfied; and

in respect of which (i) the ratio between the original amount disbursed and the original appraisal value of the relevant mortgaged asset was lower than 110% (included), and (ii) the ratio between the principal amount outstanding and the original appraisal value of the relevant mortgaged asset was lower than 95% (included);

1.15 provided for instalment due dates occurring on a monthly, bimonthly, quarterly, semi-annual or yearly basis;

1.16 provided for the repayment of principal in several instalments (as agreed either under the relevant agreement concerning or in relation to the amortisation plan applicable to the relevant mortgage loan) in accordance with the so-called "French amortisation plan" (whereby each instalment consists of (i) a principal component which increases over time and (ii) a variable interest component) or an amortisation plan with constant instalments and variable duration;

1.17 the borrower of the relevant loan has elected to pay the relevant loan through the direct debit mechanism, by way of the inter-banking direct debit of the borrowers' bank account, direct debit instructions ("*RID*") or directly to a bank branch;

1.18 have been granted directly by Banca Popolare dell'Alto Adige S.C.p.A. through its network branches and has not been been granted by branches (purchased by Banca Popolare dell'Alto Adige S.C.p.A.) before the relevant purchase by Banca Popolare dell'Alto Adige S.C.p.A.;

1.19 were secured by a mortgage on a real estate asset fully construed and completed;

1.20 were secured by a collateralised mortgage (*ipoteca capiente*) (that is a mortgage consisting of an amount higher than the disbursed amount of the relevant loan);

1.21 were secured by a mortgage on a real estate asset falling within one of the following Italian cadastral's categories: A1, A2, A3, A4, A5, A6, A7, A8, A9, A11;

1.22 had a fixed interest rate during their life (without option for the relevant debtor to change the parameter for the calculation of the relevant interest rate) equal to or greater than 2.80% or a floating interest rate with a spread equal to or greater than 0.65%;

1.23 with reference to loans having a floating interest rate, the relevant floating interest rate was based on one of the following indexes:

(a) 1-month Euribor;

(b) 3-month Euribor;

(c) 6-month Euribor;

(d) ECB Reference Rate (*Tasso Riferimento BCE*);

1.24 in respect of which, as at the Identification Date and the Valuation Date, has not been requested, confirmed or applied any suspension (provided by law or on a voluntary basis) of the payment of any instalment;

1.25 in respect of which, if an option to change the interest rate from a fixed interest rate to a floating interest rate or vice versa was provided, had not a maturity date higher than 28 February 2042 (included) and lower than 31 December 2016 (included);

1.26 had a floating interest rate in repect of which, if a cap was provided, it was comprised between 5.5% (included) and 7.5% (included);

1.27 the relevant loan agreements were governed by Italian law;

1.28 as at the Identification Date, were not classified as "*sovvenzionati*" loans pursuant to Italian Law, and, in particular, they were not classified as "*agevolati*" loans, for which it was provided a form of contribution by any public entity (specifically *Provincia Autonoma di Bolzano o Trento*) to Banca Popolare dell'Alto Adige S.C.p.A. in respect of the repayment of principal or the payment of interest thereunder;

1.29 have not been granted to public entities, ecclesiastic entities or other entities in respect of which the Italian Royal Decree No. 2440 of 1923 applies in relation to the transfer of the relevant receivables;

1.30 did not provide for the redenomination of the amount in a different currency.

Notwithstanding the above, loans which, as at the Identification Date, fall within the above criteria but had also one or more of the following characteristics have not been transferred pursuant to the Receivables Purchase Agreement:

(i) as at the Valuation Date (included), were fully reimbursed and, consequently, extinguished;

(ii) the relevant mortgage collateralised more than one loan;

(iii) the relevant debtor was classified by Banca Popolare dell'Alto Adige S.C.p.A. as "*non in bonis*" or "*ad alto rischio*", that is a debtor who had not performed (for any reason) his contractual obligations towards Banca Popolare dell'Alto Adige S.C.p.A. and/or any other bank or financial institution of the Italian banking system;

(iv) the relevant debtor had the benefit of any form of suspension of the payment of the relevant instalment;

(v) the relevant loan had a principal amount outstanding included in one of the following numeric interval (both the extremes included) denominated in unit of Euro: 74,870 – 74,915; 92,398 – 92,700; 103,221 – 103,234; 107,030 – 107,100; 108,000 – 108,005; 111,850 – 111,860; 116,034 – 116,038; 170,560 – 170,800; 453,500 – 454,250;

(vi) the relevant loan had a principal amount outstanding included in one of the following numeric interval (both the extremes included) denominated in unit of Euro:

25-200285	25-201162	25-201946	25-202122	25-202184	25-231967	25-202761
25-203541	25-203742	25-204803	25-205406	25-206714	25-88491	25-208310
25-208446	25-209156	25-209632	25-209922	25-210527	25-230489	25-210821
25-211244	25-211287	25-213772	25-214158	25-214370	25-229566	25-214585
25-214934	25-215172	25-216318	25-217171	25-217807	25-228715	25-219901
25-220255	25-227316	25-228124				

Characteristics of the Portfolio

The Receivables included in the Portfolio generally have the characteristics that demonstrate capacity to produce funds to serve payments due and payable on the Notes. However, neither the Originator nor the Issuer warrant the solvency (credit standing) of any or all of the Debtor(s).

The Mortgage Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables. The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer. The information in the following tables reflects the position of the Portfolio as at the Valuation Date.

Statistic	Unit	Value
Number of Mortgage Loans	#	4.164
Number of Borrowers	#	4.145
Total Current Balance	€	479.438.474,82
Total Original Balance	€	582.888.444,09
Minimum Current Balance	€	5.686,32
Maximum Current Balance	€	1.211.437,08
Average Current Balance by Borrower	€	115.666,70
Minimum Original Balance	€	20.000,00
Maximum Original Balance	€	1.500.000,00
Weighted Average Current Loan-to-Value	%	51,07%
Weighted Average Original Loan-to-Value	%	59,16%
Weighted Average Seasoning (years)	#	2,75
Weighted Average Residual Term (years)	#	16,26
Top 1/10/50 Borrowers	%	0.25 /1.76 /6.08

Portfolio Stratification Tables

Current Loan Balance	Current Balance	% on Total	Number of Loans	% on Total
5,000-50,000	23.903.293	4,99%	664	15,95%
50,000.01-100,000	114.964.546	23,98%	1.528	36,70%
100,000.01-150,000	131.917.728	27,52%	1.068	25,65%
150,000.01-200,000	84.127.947	17,55%	488	11,72%
200,000.01-250,000	42.263.145	8,82%	190	4,56%
250,000.01-300,000	26.722.575	5,57%	99	2,38%
300,000.01-350,000	13.054.557	2,72%	40	0,96%
350,000.01-400,000	11.878.228	2,48%	32	0,77%
400,000.01-450,000	6.793.138	1,42%	16	0,38%
450,000.01-500,000	4.775.858	1,00%	10	0,24%
500,000.01-550,000	4.676.683	0,98%	9	0,22%
550,000.01-600,000	2.928.273	0,61%	5	0,12%
600,000.01-650,000	3.826.059	0,80%	6	0,14%
650,000.01-700,000	2.012.459	0,42%	3	0,07%
700,000.01-750,000	733.342	0,15%	1	0,02%
750,000.01-800,000	779.131	0,16%	1	0,02%
800,000.01-850,000	1.661.157	0,35%	2	0,05%
>850,000.01	2.420.356	0,50%	2	0,05%
Total	479.438.475	100,00%	4.164	100,00%

Original Loan Balance	Current Balance	% on Total	Number of Loans	% on Total
5,000-50,000	23.903.293	4,99%	664	15,95%
50,000.01-100,000	114.964.546	23,98%	1.528	36,70%
100,000.01-150,000	131.917.728	27,52%	1.068	25,65%
150,000.01-200,000	84.127.947	17,55%	488	11,72%
200,000.01-250,000	42.263.145	8,82%	190	4,56%
250,000.01-300,000	26.722.575	5,57%	99	2,38%
300,000.01-350,000	13.054.557	2,72%	40	0,96%
350,000.01-400,000	11.878.228	2,48%	32	0,77%
400,000.01-450,000	6.793.138	1,42%	16	0,38%
450,000.01-500,000	4.775.858	1,00%	10	0,24%
500,000.01-550,000	4.676.683	0,98%	9	0,22%
550,000.01-600,000	2.928.273	0,61%	5	0,12%
600,000.01-650,000	3.826.059	0,80%	6	0,14%
650,000.01-700,000	2.012.459	0,42%	3	0,07%
700,000.01-750,000	733.342	0,15%	1	0,02%
750,000.01-800,000	779.131	0,16%	1	0,02%
850,000.01-900,000	1.661.157	0,35%	2	0,05%
>850,000.01	2.420.356	0,50%	2	0,05%
Total	479.438.475	100,00%	4.164	100,00%

Origination Date (year)	Current Balance	% on Total	Number of Loans	% on Total
2005	3.297.597	0,69%	26	0,62%
2006	18.623.730	3,88%	192	4,61%
2007	51.572.242	10,76%	548	13,16%
2008	12.668.678	2,64%	133	3,19%
2009	17.707.116	3,69%	170	4,08%
2010	22.680.867	4,73%	172	4,13%
2011	119.667.671	24,96%	1.017	24,42%
2012	142.620.996	29,75%	1.191	28,60%
2013	90.599.578	18,90%	715	17,17%
Total	479.438.475	100,00%	4.164	100,00%

Geographic Area & Region (by Borrower)	Current Balance	% on Total	Number of Loans	% on Total
Trentino Alto Adige	293.413.626	61,20%	2.389	57,37%
Veneto	166.184.097	34,66%	1.601	38,45%
Friuli Venezia Giulia	11.609.706	2,42%	114	2,74%
Lombardia	1.833.728	0,38%	17	0,41%
Emilia Romagna	1.520.712	0,32%	9	0,22%
Liguria	197.950	0,04%	1	0,02%
Valle d'Aosta	130.505	0,03%	1	0,02%
Piemonte	48.193	0,01%	1	0,02%
North Total	**474.938.517**	**99,06%**	**4.133**	**99,26%**
Lazio	2.523.748	0,53%	19	0,46%
Marche	528.407	0,11%	3	0,07%
Toscana	451.184	0,09%	2	0,05%
Centre Total	**3.503.339**	**0,73%**	**24**	**0,58%**
Sardegna	369.914	0,08%	1	0,02%
Campania	367.713	0,08%	3	0,07%
Sicilia	229.618	0,05%	2	0,05%
Basilicata	29.373	0,01%	1	0,02%
South Total	**996.618**	**0,21%**	**7**	**0,17%**
Total	479.438.475	100,00%	4.164	100,00%

Geographic Area & Region (by Properties)	Current Balance	% on Total	Number of Loans	% on Total
Trentino Alto Adige	295.870.933	61,71%	2.401	57,66%
Veneto	166.115.640	34,65%	1.599	38,40%
Friuli Venezia Giulia	12.122.124	2,53%	114	2,74%
Lombardia	1.817.506	0,38%	19	0,46%
Emilia Romagna	727.477	0,15%	9	0,22%
Liguria	197.950	0,04%	1	0,02%
Valle d'Aosta	197.325	0,04%	1	0,02%
North Total	**477.048.955**	**99,50%**	**4.144**	**99,52%**
Lazio	726.501	0,15%	7	0,17%
Marche	304.167	0,06%	2	0,05%
Toscana	278.874	0,06%	4	0,10%
Centre Total	**1.309.542**	**0,27%**	**13**	**0,31%**
Sardegna	469.816	0,10%	3	0,07%
Campania	297.621	0,06%	2	0,05%
Sicilia	206.189	0,04%	1	0,02%
Basilicata	106.353	0,02%	1	0,02%
South Total	**1.079.978**	**0,23%**	**7**	**0,17%**
Total	479.438.475	100,00%	4.164	100,00%

Interest Rate Type	Current Balance	% on Total	Number of Loans	% on Total
Floating	298.336.331	62,23%	2.414	57,97%
Optional (switch to Floating/Fixed)	64.479.113	13,45%	595	14,29%
Fixed	83.030.269	17,32%	836	20,08%
Floating with Cap	33.592.762	7,01%	319	7,66%
Total	479.438.475	100,00%	4.164	100,00%

Repayment Frenquency	Current Balance	% on Total	Number of Loans	% on Total
Monthly	459.232.419	95,79%	4.059	97,48%
Bi-Monthly	83.427	0,02%	1	0,02%
Quarterly	2.386.909	0,50%	16	0,38%
Semi-Annually	16.972.994	3,54%	82	1,97%
Annually	762.726	0,16%	6	0,14%
Total	479.438.475	100,00%	4.164	100,00%

Current Loan-to-Value	Current Balance	% on Total	Number of Loans	% on Total
0%-10%	6.014.011	1,25%	131	3,15%
10.01%-20%	28.024.989	5,85%	410	9,85%
20.01%-30%	50.160.398	10,46%	590	14,17%
30.01%-40%	64.622.682	13,48%	607	14,58%
40.01%-50%	73.507.804	15,33%	610	14,65%
50.01%-60%	78.205.468	16,31%	598	14,36%
60.01%-70%	83.229.369	17,36%	592	14,22%
70.01%-80%	68.275.895	14,24%	454	10,90%
80.01%-90%	20.687.230	4,31%	132	3,17%
>90.01%	6.710.630	1,40%	40	0,96%
Total	479.438.475	100,00%	4.164	100,00%

Original Loan-to-Value	Current Balance	% on Total	Number of Loans	% on Total
0%-10%	3.318.775	0,69%	39	0,94%
10.01%-20%	13.229.001	2,76%	184	4,42%
20.01%-30%	34.051.729	7,10%	398	9,56%
30.01%-40%	49.806.174	10,39%	517	12,42%
40.01%-50%	62.030.423	12,94%	587	14,10%
50.01%-60%	64.736.895	13,50%	570	13,69%
60.01%-70%	80.179.423	16,72%	599	14,39%
70.01%-80%	116.852.490	24,37%	881	21,16%
80.01%-90%	25.353.626	5,29%	187	4,49%
>90.01%	29.879.939	6,23%	202	4,85%
Total	479.438.475	100,00%	4.164	100,00%

Interest Rate (only for currently Fixed)	Current Balance	% on Total	Number of Loans	% on Total
1.63%-2.5%	10.221.227	7,95%	111	8,84%
2.501-3.5%	12.572.325	9,78%	127	10,11%
3.501%-4.5%	44.314.020	34,47%	414	32,96%
4.501%-5%	36.228.240	28,18%	345	27,47%
5.01%-5.5%	13.730.453	10,68%	143	11,39%
5.501%-6.5%	11.194.519	8,71%	112	8,92%
6.501%-7.5%	283.344	0,22%	4	0,32%
>7.501%	-	0,00%	-	0,00%
Total	128.544.129	100,00%	1.256	100,00%

Spread (only for currently Floating)	Current Balance	% on Total	Number of Loans	% on Total
0.65%-1%	61.867.586	17,63%	551	18,95%
1.01%-1.5%	78.763.519	22,45%	634	21,80%
1.501%-2%	78.747.001	22,44%	610	20,98%
2.01%-2.5%	53.954.742	15,38%	458	15,75%
2.501%-3%	43.412.353	12,37%	363	12,48%
3.01%-3.5%	21.540.723	6,14%	174	5,98%
3.501%-4.5%	10.316.815	2,94%	97	3,34%
>4.501%	2.291.606	0,65%	21	0,72%
Total	350.894.346	100,00%	2.908	100,00%

Residual Term (years)	Current Balance	% on Total	Number of Loans	% on Total
0-5	4.998.456	1,04%	124	2,98%
5.01-7	6.753.340	1,41%	112	2,69%
7.01-10	45.345.092	9,46%	610	14,65%
10.01-12	19.471.580	4,06%	168	4,03%
12.01-14	93.509.343	19,50%	896	21,52%
14.01-15	26.040.184	5,43%	232	5,57%
15.01-17	31.056.075	6,48%	220	5,28%
17.01-18	63.343.258	13,21%	497	11,94%
18.01-19	73.893.887	15,41%	529	12,70%
19.01-20	34.051.450	7,10%	244	5,86%
20.01-22	6.906.068	1,44%	50	1,20%
>22.01	74.069.743	15,45%	482	11,58%
Total	479.438.475	100,00%	4.164	100,00%

THE ORIGINATOR, THE SERVICER AND THE CASH MANAGER

Introduction

Banca Popolare dell'Alto Adige Soc.coop.pa ("**BPAA**", or the "**Bank**") is a co-operative company limited by shares (*società cooperativa per azioni*) incorporated under Italian law with a VAT number 0129730214 and whose registered office is at Via Siemens 18, Bolzano (Italy).

History and recent growth

BPAA was established in 1992 as a co-operative bank following the merger of Banca Popolare di Bressanone and Banca Popolare di Bolzano; in 1995 the Bank acquired Banca Popolare di Merano.

The Bank offers both to corporation and individuals a various range of banking and financial products and services in Trentino Alto Adige, in Veneto and in Friuli Venezia Giulia through its 134 agencies (*filiali*) located in such regions. As of 31 December 2013 BPAA had 38,427 shareholders (thereof 853 without right of vote).

Strategy

In the next years BPAA aims to pursue the following goals: (i) increase the number of its branches in Trentino Alto Adige, Veneto and Friuli Venezia Giulia , (ii) offer new financial products to support business operations, (iii) increase its efficiency in risk management, (iv) monitor the evolution of the different customer-clusters in order to offer new services to satisfy customers' needs, and (iv) develop the human resources department with new training programs for its employees.

By the end of 2014 BPAA aims to meet, *inter alia*, the following targets:

- management of financial assets is at least EUR 11.83 billions;

- return on equity, net of taxes, not less than 3.40% with ratio operations on services/operations on interest rate at least 35/65;

- cost/income ratio is max. equal to 68.50%;

- total capital ratio is at least equal to 12.50% and Tier I (request Basilea III) is at least equal to 12.50%;

- liquidity is assured at long-term; deposits and loans will develope with stable ratio;

- quality of credit marks not more than 0.49% losses over total amount of receivables portfolio;

- brand-remake to ensure positive differentiation towards competitors

Credit Rating

As at the date of this Prospectus, the long-term, unsecured, unsubordinated and unguaranteed debt obligations of Volksbank are rated "Ba1" by Moody's Italia S.r.l. in October 2013, "BBB-" by Standard

& Poor's Credit Market Services Italy S.r.l. in October 2013 and BBB by DBRS Ratings Limited in February 2014.[1]

Management

Board of Directors

In line with its by-laws, the board of directors is composed of 12 members, elected by the shareholders. As a result of the shareholders' meeting 19 April 2013 the board is composed by the following 12 members:

Name	Position
Otmar Michaeler	Chairman of the Board of Directors
Arno Eisendle	Vice president
Lorenzo Salvà	Vice president
Marcello Alberti	Director
David Covi	Director
Rudolf Christof	Director
Philip Froschmayr	Director
Werner Gramm	Director
Lukas Ladurner	Director
Alessandro Marzola	Director
Margit Tauber	Director
Gregor Wierer	Director

The directors are elected with the list voting system specified by the Articles of association by a simple majority vote of shareholders and hold office for a period of three years. In order to be appointed, they must themselves hold shares in BPAA. Directors may be re-elected for consecutive terms.

The Board of Directors' meeting elects the Chairman of the Board of Directors and two Vice Presidents. The Chairman convenes Board meetings and supervises the implementation of Board resolutions and the general administration of the Bank. In the event of the absence of the Chairman or his inability to act, any of the Vice Presidents replaces him. All members of the Board of Directors are domiciled, for the purposes of their role, in Via Siemens 18, Bolzano, Italy.

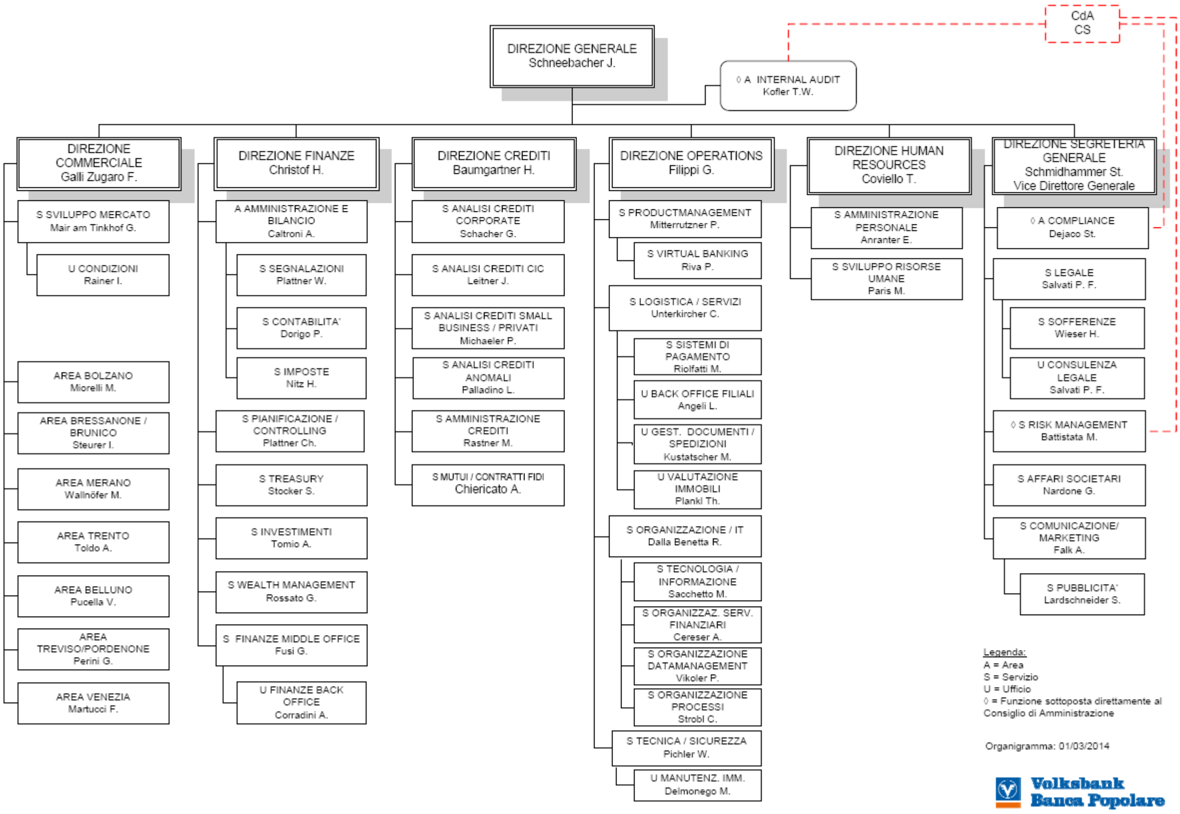
Board of Statutory Auditors

Pursuant to Italian law, in addition to electing the Board of Directors, the shareholders also elect a Board of Statutory auditors comprised of three sindaci (standing Statutory auditors) and two substitute Statutory auditors.

[1] As of the date hereof, DBRS and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

Managerial Pattern of the company

The diagram below depicts the management structure:



Independent Auditors

BDO S.p.A. has been appointed by BPAA-shareholders' meeting 20 April 2010 to audit the annual financial statements of the Bank for the financial years ending 31 December 2010, 2011 and 2012. According to legislative decree D.lgs. 39 of 27 January 2010, the shaareholders' meeting 27 April 2011 has extended the appointment for the financial years 2013 – 2014 – 2015 – 2016 – 2017 and 2018.

The financial statements for the financial year ending 31 December 2012 have been audited and were approved by the shareholders' meeting of BPAA on 19 April 2013.

CREDIT AND COLLECTION POLICY

Collection

There are three standards for collections:

1. direct debiting borrower's bank account at BPAA;
2. payment in cash;
3. direct debit instructions at other banks ("RID").

Modes no. 2 and 3 are residual.

Partial automatic debits are not allowed if the funds credited on the borrower's bank account are not sufficient to cover the full amount of the instalment. Partial payments can be made eventually manually by one of the branch's employees one day after the relevant instalment falls due and payable.

Management of the unpaid instalments

In case of failure to comply with the amortization plan agreed upon, the customer is promptly contacted by the branch to request payment of the overdue instalment, discuss and analyze the position and pursue as quickly as possible the payment of overdue instalments. It is foreseen that, within two months after each instalment is due, it is formalized and agreed with the customer either an extension/suspension of payment, or an amendment of the instalment due. In both circumstances, calculating and drafting of a new repayment plan, that shall be signed by the customer, falls within the responsibility of the "*Servizio mutui/contratti fidi*" service of the bank.

Extensions / Suspensions of the instalments

The Bank distinguishes two types of extensions / suspensions of the instalments:

1. suspension on the basis of negotiations with client ("*sospensione rata commerciale*");
2. instalment suspension under certain conditions provided by the so-called "*Fondo di solidarietà*" (Law of 24/12/2007, n. 244 and Ministrial Decree of 21/6/2010), as refinanced by the Law Decree number 201 of 6 December 2011 (as converted into law by Law number 214 of 22 December 2011), such Law Decree being implemented by Ministrial Decree number 37 of 22 February 2013.

"Suspension of the payment of the instalment on the basis of negotiations with client ("*sospensione rata commerciale*")" means the extension that the bank may grant according to its own independent assessment of creditworthiness. This suspension may be granted both to individuals and to companies.

There are two modes of operation:

- suspension of the capital component only of the instalment;
- suspension of the entire instalment (principal + interest deferral).

Securitised loans do not fall under the second modality.

No loans have been securitised in respect of which an extension of payments had been previously confirmed (either as "*sospensione commerciale*" or extension based on statutory provisions).

The usual credit departments of the bank shall take decisions concerning the extension or suspension of instalments. In case of payments overdue by more than 6 months, the branch has no more decision-making power.

Mortgage Loan amendments

A borrower may apply for the Mortgage Loan amendments in the following two cases:

- variation of instalment repayment period, instalment maturity date, etc;
- maturity extension due to difficulties in the periodic repayment of instalments: for extension concerning mortgage loans whose original duration exceeds 25 years, the authorisation shall be exclusively given by the bank's Credits Manager.

By contract, the Bank has the right to demand additional security both in case of default of the existing security, or if assets underlying the security are deemed to be insufficient by the bank's department working on credit matters.

Contracts do not provide the right for the borrower to request cancellation or reduction of the mortgage, this decision being solely entrusted with the bodies of the bank resolving on credit matters after opening a loan application file upon change of security.

Mortgages shall be cancelled in the following cases:

- in case of repayment of the debt, the mortgage is cancelled under art. 40-*bis* of TUB ("*Testo Unico Bancari*o") (formerly known as Bersani Decree), which provides for the obligation of the bank to forward the relevant mortgage cancellation requests to the competent within 30 days from the date of termination of the loan;
- in case of amendment of the security: as above, with the only difference that the "*Servizio mutui/contratti fidi*" service of the bank controls the existence of a resolution to amend the security taken by the competent credit body of the bank.

Early Repayment

Any borrower willing to repay his mortgage loan early, in full or in part, shall sign and submit with a branch the request for termination.

Management of "*sofferenze*"

The branch generally sends out a request for the loan to be classified as "*sofferenza*" (i.e. defaulted loan) to the Credit Control service which:

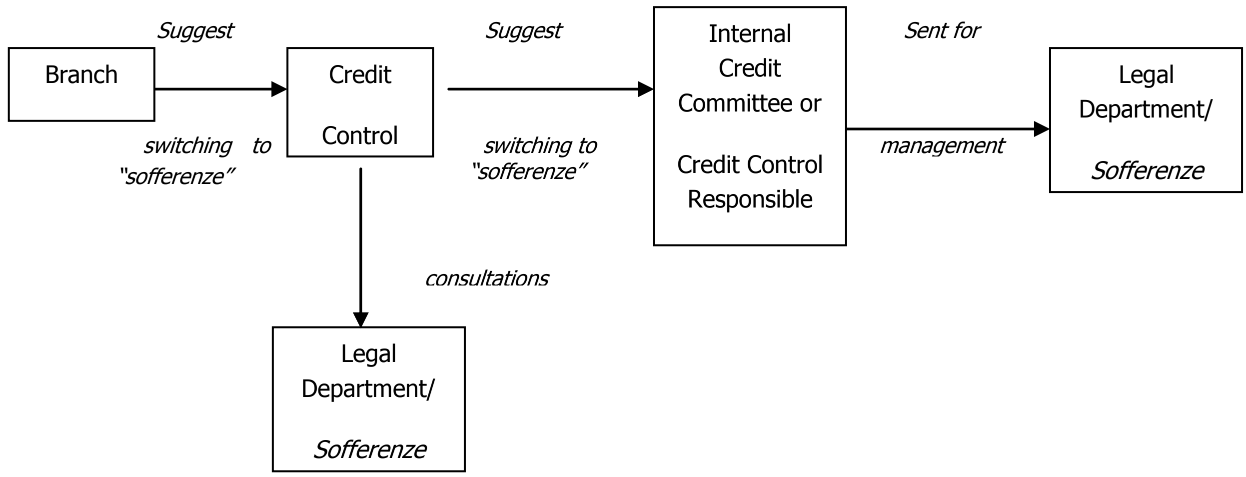
- shall check the completeness and status update of the information provided by the branch and of accompanying documents;

- shall review the need to classify the position as "*sofferenza*" on the basis of the recommendations of the branch and the accompanying documents;
- shall discuss in advance with the Legal Department/ "*Sofferenze*" service;
- shall present the proposal for decision to the Internal Credits Committee, or to the Responsible for the Credit Control.

The classification as "*sofferenza*" rests with the Internal Credits Committee, or the Responsible for the Credit Control, who shall determine the expected loss and the interest rate to be applied to the "*sofferenza*" loan, on the basis of the proposals made by the Credit Control service and by the Legal Department/"*Sofferenze*" service, in consideration of the "Credit assessment criteria for balance sheet purposes" policy in force.

The full borrower's file, including original copies of the security documents, will be sent by the Credit Control service to the Legal Department/"*Sofferenze*" service, which shall check the completeness of the file.

Upon receiving the file, the responsible of the Legal Department shall assign it to a NPL Manager, making also a brief comment on the actions to be carried out.



The Legal Department/"*Sofferenze*" service shall examine judicial and/or out-of-court settlement proposals and, in case of a favourable evaluation, shall submit them to the competent bodies of the bank. If a client intends to enter into negotiations with a branch, the branch shall direct the client to the Legal Department/"*Sofferenze*" service. The Legal Department/"*Sofferenze*" service also manages the accounting/administrative part concerning all "*sofferenza*" loans.

It shall be understood that the Legal Department/"*Sofferenza*" service shall be promptly informed of any contact between the borrower and the branch, in particular in the event the borrower applied for extensions, or made proposals for partial payment in full and final settlement.

The Legal Department/"*Sofferenza*" service has sole competence for the assessment of proposals, in light of the legal proceedings that may have been commenced.

Write-offs

Every 6 months the Legal Department/"*Sofferenza*" service prepares a list of loans that should be written-off, enclosing supporting documents.

The Responsible of the Legal Department/"*Sofferenza*" service and the Responsible of the Administration/Accounting Office jointly verify the conditions required and write-off the loans.

FUNCTIONS AND DUTIES OF THE INTERNAL CREDIT COMMITTEE

Purpose of the Internal Credit Committee

The "Internal Credit Committee" ("*Comitato interno di credito*") ensures that decisions on credit (credit policy, granting loans, assessment of insolvencies, etc.) shall be evaluated, taken and consistently implemented at central level by the bank.

This committee ensures consistency of decisions, as well as a transparent approach of the bank's credit policy and sharing of expertise by the competent offices of the bank. Decisions on credit are based both on specific credit requirements and on market aspects. It is a duty of the Internal Credit Committee to globally evaluate both these aspects, taking both under consideration within the decision making process.

The strong and early intervention on "impaired loans" and involvement of the Internal Credit Committee in decisions regarding such loans, allow the bank to draw conclusions on new credit facilities and to prevent insolvencies thanks to a joint decision-making process among all services.

The continuous involvement of the Internal Credit Committee in solvency evaluation on "*sofferenza*"/doubtful loans, along with the knowledge of the direct effect of insolvencies on the profit and loss account, contributes to a more analytical approach to the banking activities.

FUNCTIONS AND DUTIES OF THE LOAN COMMITTEE

Purpose of the Loan Committee

The Loan Committee guarantees the necessary consistency of approach in loans resolutions, while also allowing a rationalization of the decision-making process. Before deliberating, the Committee will balance typical credit requirements (solvency, securities), with commercial/market expectations (volumes, incomes, risk costs).

Yearly, the Board of Directors, with a two third majority, shall vest the Loan Committee with powers to take specific decisions, as established in art. 38, c. 2 of the bank's by-laws. The Loan Committee is re-elected every year, no later than two months from the date of the annual shareholders' meeting.

The Loan Committee empowered annually by the Board of Directors, carries out the credit assessment. The resolutions of the Loan Committee are brought to the attention of the Board of Directors in the ensuing meeting, also on an aggregate total amount basis.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 13 January 2014 as a *società a responsabilità limitata*. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via Vittorio Alfieri, 1, 31015 Conegliano (TV) Italy. The fiscal code and enrolment number with the companies register of Treviso is 04641730264. The Issuer's telephone number is +39 0438 360962. 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 29 April 2011 under registration no. 35112.2.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is €10,000 fully paid up and entirely held by SVM Securitisation Vehicles Management S.r.l. SVM Securitisation Vehicles Management S.r.l. is an Italian *società a responsabilità limitata*, whose quota capital is wholly owned by Stichting Cima, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

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 this Prospectus, incurred any indebtedness.

Issuer's principal activities

The sole corporate object of the Issuer as set out in article 3 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*) and issue asset backed securities.

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

Sole director

The current sole director of the Issuer is Nausica Pinese, appointed by the Quotaholder from the date of incorporation until the date of resignation or revocation, a managing director of Securitisation Services S.p.A., a company providing services related to securitisation transactions. The domicile of Nausica Pinese, in her capacity of Sole Director of the Issuer, is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy.

The Quotaholder's Agreement

Pursuant to the terms of the Quotaholder's Agreement entered into on or about the Issue Date, between the Issuer, the Quotaholder and the Representative of the Noteholders, the Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders. The Quotaholder's Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

The Issuer believes that the provisions of the Quotaholder's Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused.

Accounts of the Issuer and accounting treatment of the Portfolio

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the fist fiscal year ended on 31 December 2014.

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 capital	10,000.00
Loan Capital (Securitisation)	**Euro**
€201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051	201,400,000
€199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051	199,000,000
€89,450,000 Class J Residential Mortgage Backed Variable Return Notes due June 2051	89,450,000
Total loan capital (euro)	489,850,000
Total capitalisation and indebtedness (euro)	489,860,000

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' report

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.

THE CALCULATION AGENT, THE REPRESENTATIVE OF THE NOTEHOLDERS, THE BACK-UP SERVICER AND THE CORPORATE SERVICER

Securitisation Services S.p.A. is a company incorporated under the laws of the Republic of Italy as a *società per azioni*, share capital of Euro 1,595,055.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso number 03546510268, currently registered under number 31816 in the general register and in the special register held by the Bank of Italy pursuant to, respectively, articles 106 and 107 of the Consolidated Banking Act, subject to the activity of direction and coordination (soggetta all'attività di direzione e coordinamento) pursuant to article 2497 of the Italian civil code of Finanziaria Internazionale Holding S.p.A.

Securitisation Services S.p.A. is a professional Italian dealer specialising in managing and monitoring securitisation transactions. In particular, Securitisation Services S.p.A. acts as servicer, corporate servicer, calculation agent, programme administrator, cash manager, representative of the noteholders, back-up servicer, back-up servicer facilitator, back-up calculation agent in several structured finance deals.

In the context of this Securitisation, Securitisation Services S.p.A. acts as Calculation Agent, Representative of the Noteholders, Back-up Servicer and Corporate Servicer.

Securitisation Services S.p.A. is subject to the auditing activity of Deloitte & Touche S.p.A.

THE ACCOUNT BANK AND THE PRINCIPAL PAYING AGENT

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 34 countries across five continents, effecting global coverage of more than 100 markets.

At June 2013 BNP Paribas Securities Services has USD 7,679 billion of assets under custody, USD 1,381 billion assets under administration; as of December 2012 it has 6,979 administered funds and 9,000 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of “A+” (negative) from S&P’s, “A2” (stable) from Moody’s and “A1” (stable) from Fitch Ratings.

Fitch	Moody's	Standard & Poor's
Short term F1	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt A2	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook Negative

BNP Paribas Securities Services, Milan Branch shall act as Principal Paying Agent and Account Bank pursuant to the Cash Allocation Management Payments Agreement.

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

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 489,850,000 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement, to create the Cash Reserve by transferring the Cash Reserve Initial Amount from the Payments Account to the Cash Reserve Account, to credit the Retention Amount to the Payments Account (and then transferring such Retention Amount to the Expenses Account) and to credit any remaining amount to the Payments Account (and then transferring such amount to the Collection Account).

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. **THE RECEIVABLES PURCHASE AGREEMENT**

On 24 February 2014, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Portfolio.

The Purchase Price for the Portfolio payable pursuant to the Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Portfolio. The Individual Purchase Price for each Receivable is equal to the aggregate amount of all Principal Instalments due and unpaid as at the Valuation Date under the relevant Mortgage Loan Agreement, plus the interest accrued but unpaid as at the Valuation Date. Under the Receivables Purchase Agreement, the Purchase Price for the Receivables is payable by the Issuer to the Originator on the Issue Date, provided that the formalities set out in clause 9.1 of the Receivables Purchase Agreement have been completed.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio*". The sale of the Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 26 of 1 March 2014 and was published in the companies register of Treviso on 25 February 2014.

The Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and, in particular, not to assign or transfer the Receivables to any third party or to create any Security Interest in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Mortgage Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables or the then current rating of the Senior Notes, save in the event such modifications or cancellations are provided for by the Servicing Agreement or required by law.

Further, under the Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase (in whole but not in part), on the Clean Up Option Date and on any Payment Date thereafter, the outstanding Receivables in accordance with article 58 of the Consolidated Banking Act, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Senior Notes, (b) any accrued but unpaid interest due in respect of the Senior Notes and (c) any amount required to be paid under the Pre Trigger Notice Priority of Payments in priority to or *pari passu* with the

Class J Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (i) a solvency certificate issued by the Originator, dated not earlier than 10 calendar days before the date of the relevant exercise; (ii) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of Bolzano and (iii) a solvency certificate issued by *Tribunale Ordinario di Bolzano - Sezione Fallimentare*, dated not earlier than 10 calendar days before the date of the relevant exercise.

In addition, under the Receivables Purchase Agreement, the Purchaser has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limit of 5% of the Outstanding Principal of the Portfolio as at the Valuation Date. In case the Receivables so repurchased exceeds the limits described above, the Originator may exercise the option right to repurchase individual Receivables only if so authorised by the Representative of the Noteholders and with prior notification to the Rating Agencies. In addition, such option right may be exercised subject to the Originator delivering to the Issuer a solvency certificate issued by the Originator, a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of Bolzano and a solvency certificate issued by *Tribunale Ordinario di Bolzano - Sezione Fallimentare*, in each case dated not earlier than 10 calendar days before the date of the relevant exercise, have been delivered to the Issuer.

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

2. THE SERVICING AGREEMENT

On 24 February 2014, the Originator and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed Banca Popolare dell'Alto Adige S.C.p.A. as Servicer of the Receivables. The collection and receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the applicable law and this Prospectus.

Under the Servicing Agreement, the Servicer shall credit to the Collection Account all the amounts received or recovered under the Receivables on the Business Day on which such amounts are so received or recovered.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables. The Servicer shall be entitled to sub-delegate such activities, provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated.

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

The Servicing Agreement further provides for the possibility for the Servicer to renegotiate, subject to certain limitations and conditions specified in the Servicing Agreement and in accordance with the Credit and Collection Policy, the Mortgage Loan Agreements, if so requested by the relevant Debtor. In addition, under certain circumstances of particularly difficult economic conditions of the Debtors, the Servicer is permitted to grant to the requesting Debtors the suspension of payment of the instalments due under the relevant Mortgage Loans. For further details, see the section headed (*Risk Factors - Yield and payment considerations*).

The Servicer has undertaken to use all due diligence to maintain all accounting records relating to the Receivables and the Defaulted Receivables and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

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

(i) an annual fee to be calculated as 0.45% (plus any VAT, if applicable) of the Collections received by the Servicer in respect of the Receivables included in the Portfolio (other than the Defaulted Receivables) during the Quarterly Collection Period immediately preceding such Payment Date;

(ii) a annual fee to be calculated as 0.05% (plus any VAT, if applicable) of the Recoveries by the Servicer in respect to the Defaulted Receivables during the Quarterly Collection Period immediately preceding such Payment Date; and

(iii) a quarterly fee equal to €1,000.00 for the activity regarding the monitoring and compliance with the supervisory authority regulations, as better soecified in the Servicing Agreement.

The Servicer has undertaken to prepare and submit to the Issuer monthly and quarterly 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*, the Issuer, the Calculation Agent, the Rating Agencies and the Representative of the Noteholders.

The Issuer may terminate the Servicer's appointment, by delivering a notice to such effect to the Servicer and the Back-up Servicer (following a prior notice to the Representative of the Noteholders and the Rating Agencies) specifying the relevant effective date (the "**Servicer Termination Effective Date**"), if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include the following events:

(a) an Insolvency Event occurs with respect to the Servicer;

(b) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and/or the other

Transaction Documents to which it is, or will be, a party, and the continuation of such failure for a period of 7 Business Days (or the shorter period indicated under the Servicing Agreement) following the date on which such failure has occurred;

(c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, has been proved to be untrue, false or deceptive in any material respect and such default is not remedied in accordance with the provisions of the relevant Transaction Document;

(d) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 5 Business Days after the due date thereof and cannot be attributed to force majeure;

(e) 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, or will be, a party;

(f) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

The termination of the Servicer's appointment will be effective as from the Servicer Termination Effective Date, provided however that, if on such date the Back-Up Servicer cannot carry on its activities pursuant to the Back-Up Servicing Agreement, the Servicer shall continue to perform the obligations arising from the Servicing Agreement until a successor servicer, having the characteristics set out under the Servicing Agreement, is appointed in accordance with the provisions of the Servicing Agreement.

The Servicer has undertaken to take all actions in order to enable the Back-Up Servicer (or the relevant successor servicer) to perform its duties as a Back-Up Servicer (or successor servicer) pursuant to its appointment and to assist and co-operate with it for such purpose.

Promptly after the Servicer Termination Effective Date, the Servicer shall, *inter alia*, (i) make available, at its costs and expenses, to the Issuer, or the Back-up Servicer or the relevant successor servicer all the Documentation and (ii) transfer to the Collection Account, any and all amounts received in respect of the Receivables but not already credited on it. In addition, the Servicer (or the Back-up Servicer or the relevant successor servicer) shall communicate to each of the Debtors its appointment and the details of the Collection Account.

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

3. THE BACK-UP SERVICING AGREEMENT

On or about the Issue Date, the Back-up Servicer, the Servicer, the Issuer and the Representative of the Noteholders entered into the Back-up Servicing Agreement, pursuant to which the Back-up Servicer has agreed, as from the Back-up Servicer Effective Date (i) to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law and in accordance with the Servicing Agreement, and

(ii) to do its best effort in order to select an entity to be appointed as successor servicer, in each case subject to the provisions of the Back-up Servicing Agreement.

As from the Back-up Servicer Effective Date, (A) the Back-up Servicer will assume and perform all the obligations of the Servicer under the Servicing Agreement and any other Transaction Document to which it is, or will be, a party (on the terms of the Servicing Agreement and any other Transaction Document to which it is, or will be, a party) arising on or after the Back-up Servicer Effective Date, as if it had been originally named as Servicer thereunder, and (B) the Servicer will transfer to the Back-up Servicer part of the personnel used for the servicing activities carried out by the Servicer for a period of up to 24 months in order to facilitate a smooth transition from the Servicer to the Back-up Servicer.

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

4. THE WARRANTY AND INDEMNITY AGREEMENT

On 24 February 2014, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

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

The Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, as of the date of execution of the Warranty and Indemnity Agreement, the Receivables comprised in the Portfolio (i) were valid, in existence and in compliance with the Criteria, and (ii) related to Mortgage Loan Agreements which had been entered into, executed and performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law). In addition, the Originator represented, *inter alia*, that each of the Debtors and the guarantors is resident in Italy and that the Real Estate Assets are located in Italy.

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

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

5. 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 Back-up Servicer, the Corporate Servicer, the Account Bank, the Cash Manager 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:

(i) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Payments Account, the Collection Account, the Cash Reserve Account and the Securities Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of such accounts;

(ii) the Corporate Servicer has agreed to operate the Expenses Account held with Banca Monte dei Paschi di Siena S.p.A., in accordance with the instructions of the Issuer;

(iii) the Cash Manager has agreed to invest, on behalf of the Issuer, funds standing to the credit of the Accounts in Eligible Investments;

(iv) the Calculation Agent has agreed to provide the Issuer with calculation services; and

(v) the Principal Paying Agent has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes.

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 or securities standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer may (with the prior approval of the Representative of the Noteholders) revoke its appointment of the Calculation Agent by giving not less than three months' written notice. The appointment of the Calculation Agent shall terminate forthwith in accordance with article 1456 of the Italian civil code if: (i) an Insolvency Event occurs in relation to it; or (ii) it is rendered unable to perform its obligations for a period of 60 days by circumstances beyond its control. The Calculation Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will be subject to and conditional upon a substitute Calculation Agent being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

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

6. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the 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. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

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

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

7. THE MANDATE AGREEMENT

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

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

8. THE DEED OF PLEDGE

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

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

9. THE CORPORATE SERVICES AGREEMENT

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

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

THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts:

(1) **Collection Account**

Pursuant to the Servicing Agreement and the Cash Allocation, Management and Payments Agreement, the Servicer shall credit to the Collection Account, established in the name of the Issuer with the Account Bank, all the amounts received or recovered under the Receivables on the Business Day on which such amounts are so received or recovered.

The Collection Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

(2) **Payments Account**

All amounts payable on each Payment Date will, two Business Days (or one Business Day, for as long as the Principal Paying Agent and the Account Bank are the same entity) prior to such Payment Date, be paid into the Payments Account established in the name of the Issuer with the Account Bank.

The Payments Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

(3) **Cash Reserve Account**

The Issuer has established with the Account Bank the Cash Reserve Account. Part of the proceeds of the issuance of the Class J Notes shall be deposited by the Issuer on the Issue Date in the Payments Account and, on the same date, transferred to the Cash Reserve Account to form the Cash Reserve.

The Cash Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Prior to the delivery of a Trigger Notice and up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, the Cash Reserve Account will be replenished on any Payment Date, to the extent there are Issuer Available Funds applicable for such purpose, up to the Target Cash Reserve Amount, in accordance with the Pre Trigger Notice Priority of Payments.

On the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds (inclusive of the balance of the Cash Reserve Account) are sufficient to repay in full on such Payment Date the Senior Notes, the Calculation Agent shall consider the Target Cash Reserve Amount to be equal to zero, the amounts standing to the credit of the Cash Reserve Account shall be transferred into the Payments Account pursuant to the Cash Allocation, Management and Payments Agreement and, as soon as practicable thereafter, the Cash Reserve Account shall be closed.

(4) **Securities Account**

The Issuer has established with the Account Bank the Securities Account in which any Eligible Investments purchased using funds standing to the credit of the Collection Account, the Cash Reserve Account and the Payments Account represented by securities shall be deposited or recorded.

The Securities Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

(5) **Expenses Account**

The Issuer has established the Expenses Account with Banca Monte dei Paschi di Siena S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, a pre-determined amount will be credited which will be used by the Issuer to pay any Expenses.

(6) **Quota Capital Account**

The Issuer has established the Quota Capital Account with Banca Monte dei Paschi di Siena S.p.A., for the deposit of its paid quota capital.

The Account Bank will be required at all times to be an Eligible Institution. Should it cease to be an Eligible Institution, the Accounts will be transferred to another Eligible Institution within 30 calendar days from the date on which the Account Bank ceased to be an Eligible Institution.

TERMS AND CONDITIONS OF THE SENIOR NOTES

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

The €201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051, the €199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051 and the €89,450,000 Class J Residential Mortgage Backed Variable Return Notes due June 2051 have been issued by the Issuer on the Issue Date pursuant to the Securitisation Law to finance the purchase by the Issuer of the Portfolio pursuant to the Receivables Purchase Agreement, to create the Cash Reserve by transferring the Initial Cash Reserve Amount from the Payments Account to the Cash Reserve Account, to credit the Retention Amount to the Payments Account (and then transferring such Retention Amount to the Expenses Account) on the Issue Date and to credit any remaining amount to the Payments Account (and then transferring such amount to the Collection Account). The principal source of payment of any amounts related to the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

Any reference below to a "Class" of Notes or a "Class" of Noteholders shall be a reference to the Class A1 Notes, the Class A2 Notes or the Class J Notes, as the case may be, or to the respective ultimate owners thereof.

1. INTRODUCTION

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

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

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

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

1.3 *Copies of Transaction Documents available for inspection*

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

1.4 *Description of Transaction Documents*

1.4.1 Pursuant to the Senior Notes Subscription Agreement, the Underwriter has agreed to subscribe for the Senior Notes and appointed the Representative of the Noteholders to perform the activities described in the Senior Notes Subscription Agreement, these Senior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.2 Pursuant to the Class J Notes Subscription Agreement, the Underwriter has agreed to subscribe for the Class J Notes and appointed the Representative of the Noteholders to perform the activities described in the Class J Notes Subscription Agreement, the Class J Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.3 Pursuant to the Warranty and Indemnity Agreement, the Originator has given 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 in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

1.4.4 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. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of the applicable law and the Prospectus.

1.4.5 Pursuant to the Back-up Servicing Agreement, the Back-up Servicer has agreed, *inter alia,* to assume and perform all the obligations of the Servicer under the Servicing Agreement and any other Transaction Document to which it is, or will be, a party (substantially on the terms of the Servicing Agreement and any other Transaction Document to which it is, or will be, a party), as if it had been originally named as Servicer thereunder, starting from the date on which the appointment of the Back-up Servicer as successor servicer will become effective in accordance with to the provisions of the Back-up Servicing Agreement.

1.4.6 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

1.4.7 Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Principal Paying Agent, the Account Bank, the Servicer, the Corporate Servicer and the Cash Manager 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 and securities from time to time standing to the credit of the Accounts and the Expenses Account. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of any amounts in respect of the Notes of each Class.

1.4.8 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Portfolio and the Transaction Documents.

1.4.9 Pursuant to the Deed of Pledge, the Issuer has pledged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guaranties) to which it is entitled pursuant or in relation to certain Transaction Documents to which the Issuer is a party (other than claims relating to the Portfolio, the Collections, the Recoveries and the proceeds deriving from the issue of the Notes) and has undertaken to pledge from time to time the Eligible Investments in favour of the Noteholders and the Other Issuer Creditors.

1.4.10 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.

1.4.11 Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

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

1.5 *Acknowledgement*

Each Senior Noteholder, by reason of holding Class A1 Notes and Class A2 Notes, as the case may be, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Senior Noteholders as a result of the performance by Securitisation Services S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1 *Definitions*

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

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

"**Account Bank Report**" means the report to be prepared and delivered by the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

“**Account Bank Report Date**” means the date falling 3 Business Days before each Payment Date, being the date on which the Account Bank Report will be delivered by the Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

“**Accounts**” means, collectively, the Payments Account, the Collection Account, the Cash Reserve Account and the Securities Account and “**Account**” means any of them.

“**Accrued Interest**” means the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not yet due.

“**Adjustment Purchase Price**” means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1.1, paragraph (b) of the Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of the Receivables Purchase Agreement.

“**Arranger**” means Natixis S.A.

“**Back-up Servicer**” means Securitisation Services S.p.A.

“**Back-up Servicer Effective Date**” means the date on which the appointment of the Back-up Servicer as successor servicer becomes effective, in accordance with, and subject to the provisions of, the Back-up Servicing Agreement.

“**Back-up Servicing Agreement**” means the agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer.

“**Business Day**” means any day on TARGET2 is open.

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

“**Calculation Date**” means the date falling 3 Business Days before each Payment Date.

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

“**Cash Manager**” means Banca Popolare dell’Alto Adige S.C.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

“**Cash Manager Report**” means the report to be prepared and delivered by th Cash Manager in accordance with the Cash Allocation, Management and Payments Agreement.

“**Cash Manager Report Date**” means the date falling 1 Business Day prior to each Calculation Date, being the date on which the Cash Manager Report will be delivered by the Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve**" means a reserve created with part of the proceeds of issue of the Class J Notes on the Issue Date in an amount equal to the Cash Reserve Initial Amount, to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 23 Y 03479 01600 000800946101, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Initial Amount**" means euro 10,000,000.

"**Class**" shall be a reference to a Class of Notes being the Class A1 Notes, the Class A2 Notes or the Class J Notes and "**Classes**" shall be construed accordingly.

"**Class A1 Noteholders**" means the holders of the Class A1 Notes.

"**Class A1 Notes**" means the €201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class A2 Noteholders**" means the holders of the Class A2 Notes.

"**Class A2 Notes**" means the €199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class J Noteholders**" means the holders of the Class J Notes.

"**Class J Notes**" means the €89,450,000 Class J Residential Mortgage Backed Variable Return Rate Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class J Notes Conditions**" means the terms and conditions of the Class J Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Class J Notes Condition shall be construed accordingly.

"**Class J Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Class J Notes upon issue.

"**Class J Notes Subscription Agreement**" means the subscription agreement in relation to the Class J Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator.

"**Clean Up Option Date**" means the earlier of: (i) the Payment Date falling in December 2023; and (ii) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to 10% of the Principal Amount Outstanding of the Senior Notes upon issue.

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

"**Collection Account**" means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 97 Z 03479 01600 000800946102, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Period**" means a Monthly Collection Period or a Quarterly Collection Period, as applicable.

"**Collections**" means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables.

"**Conditions**" means, together, these Senior Notes Conditions and the Class J Notes Conditions and "**Condition**" means a condition of either of them or, where reference is made to a "**Condition**" with a number without indicating whether it is a reference to these Senior Notes Conditions or the Class J Notes Conditions, means that a Condition with that number appears in identical terms in both these Senior Notes Conditions and Class J Notes Conditions and the reference is to both.

"**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 and supplemented from time to time.

"**Corporate Servicer**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

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

"**Credit and Collection Policy**" means the procedures for the collection and recovery of Receivables attached as annex 3 to the Servicing Agreement.

"**Criteria**" means the criteria set out in the Receivables Purchase Agreement on the basis of which the Receivables are identified as a "pool" (*in blocco*), pursuant to articles 1 and 4 of the Securitisation Law.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited, and (ii) in any other case, any entity of DBRS 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.

"**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 public rating, a Moody's public rating and an S&P 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.

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

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

“**Decree 239 Deduction**” means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

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

“**Defaulted Receivable**” means a Receivable classified by the Servicer as a “defaulted loan” (*credito in sofferenza*) pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) or in respect of which there are:

(a) at least 10 monthly instalments overdue and unpaid; or

(b) at least 6 bimonthly instalments overdue and unpaid; or

(c) at least 4 quarterly instalments overdue and unpaid; or

(d) at least 2 semi-annual instalments overdue and unpaid; or

(e) at least 1 annual instalment overdue and unpaid for at least 90 days from the relevant due date,

in each case, whether such instalments are consecutive or not.

“**Delinquent Receivable**” means a Receivable classified by the Servicer as a “delinquent loan” (*credito ad incaglio*) pursuant to the Bank of Italy’s supervisory regulations (*Istruzioni di Vigilanza della Banca d’Italia*) or in respect of which there are:

(a) at least 7 monthly instalments overdue and unpaid; or

(b) at least 4 bimonthly instalment overdue and unpaid; or

(c) at least 3 quarterly instalments overdue and unpaid for at least 30 days from the relevant due date; or

(d) at least 1 semi-annual instalment overdue and unpaid for at least 60 days from the relevant due date; or

(e) at least 1 annual instalment overdue and unpaid for at least 30 days from the relevant due date,

in each case, whether such instalments are consecutive or not.

“**Determination Date**” means:

(i) with respect to the Initial Interest Period, the day falling two Target2 Days prior to the Issue Date; and

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

"**Eligible Institution**" means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS:

(x) a long-term public or private rating at least equal to "A"; or

(y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or

(z) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch, a long-term public rating at least equal to "A" and 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 a first demand, irrevocable and unconditional guarantee (followed by, if requested, a legal opinion rendered by a reputable firm in the relevant jurisdictions) 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 and have at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee and the relating opinion have been notified to the Rating Agencies and comply with the Rating Agencies' criteria.

"**Eligible Investments**" means:

(a) Euro denominated senior (unsubordinated) debt securities or other debt instruments having the following ratings:

(i) with respect to DBRS:

(x) if such investments have a maturity date equal to or lower than 30 days: (1) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public or private rating at least equal to "A" 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 "A" in respect of long-term debt; or

(y) if such investments have a maturity date higher than 30 days but equal to or lower than 90 days: (1) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public rating at least equal to "AA (low)" in respect to long-term debt, or (2) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating at least equal to "AA(low)" in respect of long-term debt; or

(z) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch:

(x) if such investments have a maturity date equal to or lower than 30 calendar days, a short-term public rating at least equal to "F1" and a long-term public rating at least equal to "A"; or

(y) if such investments have a maturity date higher than 30 calendar days but not exceeding the immediately subsequent Eligible Investment Maturity Date, a short-term public rating at least equal to "F1+" and a long-term public rating at least equal to "AA-",

provided that such investments (i) are in dematerialised form; (ii) are immediately repayable on demand, disposable without any penalty or any loss; (iii) 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; (iv) in case of downgrading below the rating levels set out above, shall be liquidated within 3 days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (v) have a maturity date not exceeding the Eligible Investments 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 Investments 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 calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at cost of the account bank with which the relevant deposits were held; and (iv) the deposits shall be in Euro, held in Italy and subject to a first ranking security in favour of the Noteholders and the Other Issuer Creditors; or

(c) Euro denominated money market funds which permit daily liquidation of investments and which are rated (i) R-1 (middle) by DBRS or in the absence of a public or private rating by DBRS the DBRS Equivalent Rating of "A" 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 and are redeemable without any penalty or loss, with a maturity date not exceeding the Eligible Investment Maturity Date;

(d) any other investment which, subject to prior notice to DBRS and Fitch, does not adversely affect the then current ratings of the Senior Notes,

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.

"**Eligible Investments 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 2 (two) Business Days prior to each Payment Date.

"**Euribor**" means:

(a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on the display page on Bloomberg (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 2 and 3 month deposits in Euro will be substituted); or

(b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

(c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or

(d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

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

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

   (i) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

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

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

"**Expenses**" means:

(a) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(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 Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, IBAN: IT03O0103061621000001325731, or such other substitute account.

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

"**Final Maturity Date**" means the Payment Date falling in June 2051.

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

"**First Payment Date**" means the Payment Date falling in June 2014.

"**Fitch**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, Fitch Italia – Società Italiana per il Rating S.p.A., 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.

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

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

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"**Insurance Policy**" means each of the insurance policies taken out in relation to each Real Estate Asset and each Mortgage Loan.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Determination of Class A1 Interest Rate and Class A2 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.

"**Investors Report**" means the report to be prepared and delivered by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 8 April 2014, or such other date on which the Notes are issued.

"**Issue Price**" means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

"**Issuer**" means Voba N. 5 S.r.l., a *società a responsabilità limitata* with sole quotaholder incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso number 04641730264, enrolled in the register of special purpose vehicle held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 24 April 2011 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts (if any) in respect of interest and profit accrued or generated and paid on the Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period.

Following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall comprise, in addition to the amounts set out above, any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

"**Issuer's Rights**" means the Issuer rights under the Transaction Documents.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008.

"**Junior Servicing Fee**" means any costs borne by the Servicer in performing its services under the Servicing Agreement to be reimbursed to it in accordance with clause 8.2 of the Servicing Agreement.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**Listing Agent**" means BNP Paribas Securities Services, Luxembourg branch, or any other person for the time being acting as Listing Agent.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear and Clearstream.

"**Monte Titoli Mandate Agreement**" means the agreement entered into on or about the Issue Date between the Issuer and Monte Titoli.

"**Monthly Collection Period**" means:

(a) each period commencing on (but excluding) a Settlement Date and ending on (and including) the next following Settlement Date; and

(b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Valuation Date and ending on (and including) the Settlement Date falling in May 2014.

"**Mortgage**" means each mortgage granted on the relevant Real Estate Asset, pursuant to Italian law, in order to secure the Receivables.

"**Mortgage Loan**" means each mortgage loan granted to a Debtor, on the basis of a Mortgage Loan Agreement.

"**Mortgage Loan Agreement**" means each mortgage loan agreement entered into between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

"**Most Senior Class of Notes**" means (i) together, the Class A1 Notes and the Class A2 Notes, and (ii) following the full repayment of all the Class A1 Notes and the Class A2 Notes, the Class J Notes.

"**Noteholders**" means, together, the Senior Noteholders and the Class J Noteholders.

"**Notes**" means, together, the Senior Notes and the Class J Notes.

"**Obligations**" means all 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*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means Banca Popolare dell'Alto Adige S.C.p.A.

"**Other Issuer Creditors**" means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Back-up Servicer, the Cash Manager, the Corporate Servicer, the Principal Paying Agent, the Account Bank, and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments due on any subsequent Scheduled Instalment Date; and (ii) any Principal Instalments due but unpaid as at such date.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 20 day of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement, provided that the First Payment Date will fall on June 2014.

"**Payments Account**" means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 46 X 03479 01600 000800946100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Portfolio**" means the portfolio of Receivables purchased on 24 February 2014 by the Issuer pursuant to the terms and conditions of the Receivables Purchase Agreement.

"**Post Trigger Notice Priority of Payments**" means the Priority of Payments set out in Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*).

"**Pre Trigger Notice Priority of Payments**" means the Priority of Payments set out in Senior Notes Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

"**Principal Amount Outstanding**" means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

"**Principal Instalment**" means the principal component of each Instalment.

"**Principal Payment Amount**" shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

"**Principal Paying Agent**" means BNP Paribas Securities Services, Milan branch, Italian branch or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Class J Notes Conditions and the Intercreditor Agreement.

"**Prospectus**" means the prospectus prepared by the Issuer in connection with the Securitisation.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended and supplemented from time to time.

"**Purchase Price**" means €479,791,803.44.

"**Purchaser**" means Voba N. 5 S.r.l.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (but excluding) the Settlement Date falling in February, May, August and November and ending on (and including) respectively, the Settlement Date falling in May, August, November and February;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Valuation Date and ending on (and including) the Settlement Date falling in May 2014.

"**Quarterly Servicer's Report**" means the quarterly report delivered by the Servicer, on each Quarterly Servicer's Report Date, in accordance with article 5.2 of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means prior to the delivery of a Trigger Notice, the Monthly Servicer's Report Date of March, June, September and December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"**Quota Capital Account**" means the euro denominated account establish in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch with IBAN: IT15H0103061621000001324332 or such other substitute account.

"**Quotaholder**" means SVM Securitisation Vehicles Management S.r.l.

"**Quotaholder's Agreement**" means the agreement executed on or about the Issue Date between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rating Agencies**" means DBRS and Fitch.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Mortgage Loan Agreements.

"**Receivables**" means all rights and claims of the Issuer arising out from any Mortgage Loan Agreement existing as at or arising from (and excluding) the Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including default interest) accrued on the Mortgage Loans and not collected up to (but excluding) the Valuation Date;

(c) all rights and claims in respect of the payment of interest (including default interest) accruing on the Mortgage Loans from (and including) the Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred pursuant to the Mortgage Loan Agreements;

(e) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Mortgage Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other rights, claims and actions (including any legal proceeding for the recovery of suffered damages), and substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 24 February 2014 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Reference Bank**" means each of The Royal Bank of Scotland plc, HSBC Bank plc and Citibank N.A. and "**Reference Banks**" means all of them, or if any such bank is unable or unwilling to continue to act as such, any other bank as appointed by the Issuer with the prior consent of the Representative of the Noteholders.

"**Relevant Margin**" means, with respect to the Class A1 Notes, 1 per cent per annum and with respect to the Class A2 Notes, 1 per cent per annum.

"**Representative of the Noteholders**" means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Retention Amount**" means an amount equal to €20,000, provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

"**Rules of the Organisation of the Noteholders**" means the rules of the organisation of the Noteholders attached as exhibit to these Senior Notes Conditions and the Class J Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to each Mortgage Loan Agreement.

"**Securities Account**" means the account established in the name of the Issuer with the Account Bank with number 946100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Security**" means the security created pursuant to the Deed of Pledge.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

"**Senior Noteholders**" means the holders from time to time of any of the Senior Notes.

"**Senior Notes**" means, together, the Class A1 Notes and the Class A2 Notes.

"**Senior Notes Conditions**" means these terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

"**Senior Notes Subscription Agreement**" means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Arranger.

"**Servicer**" means Banca Popolare dell'Alto Adige S.C.p.A., or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the agreement entered into on 24 February 2014 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Settlement Date**" means the last calendar day of each month.

"**Subscription Agreements**" means, together, the Senior Notes Subscription Agreement and the Class J Notes Subscription Agreement.

"**Target Cash Reserve Amount**" means, in relation to each relevant Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, an amount equal to the lower of (without taking into account any principal payment to be made to the Noteholders on such Payment Date):

(i) Euro 10,000,000; and

(ii) the greater of: (a) 2.5% of the Principal Amount Outstanding of the Senior Notes as of the preceding Payment Date (for the avoidance of doubt after the application of the respective Priority of Payments); and (b) Euro 1,000,000,

provided that (A) on the Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal on the Senior Notes on such Payment Date) is equal to or lower than the Target Cash Reserve Amount as calculated in accordance with item (ii) above, (B) following the delivery of a Trigger Notice or (C) on the Final Maturity Date, the Target Cash Reserve Amount shall be equal to 0 (zero).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**Target2 Day**" means any day on which the TARGET2 is open.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

"**Tax Deduction**" means any present or future tax, levy, impost, duty charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying of any of the same, but excluding taxes or net income) imposed or levied by or on behalf of any tax authority in Italy.

"**Transaction Documents**" means, together, the Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Senior Notes Subscription Agreement, the Class J Notes Subscription Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Back-up Servicing Agreement, the Deed of Pledge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Master Definitions Agreement and the Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Transaction Party**" means any party to a Transaction Document.

"**Transfer Date**" means 24 February 2014.

"**Trigger Event**" means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

"**Trigger Event Report**" means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12 (*Trigger Events*).

"**Underwriter**" means Banca Popolare dell'Alto Adige S.C.p.A.

"**Valuation Date**" means 00:01 of 1 February 2014.

"**Variable Return**" means the amount of variable return payable on the Class J Notes on any Payment Date subject to the Class J Notes Conditions, determined in accordance with Class J Notes Condition 7 (*Variable Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 24 February 2014 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2 *Interpretation*

2.2.1 *References in Senior Notes Condition*

Any reference in these Senior Notes Conditions to:

"**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;

a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

"**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2 *Transaction Documents and other agreements*

Any reference to the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3 *Transaction parties*

A reference to any person defined as a "**Transaction Party**" in these Senior Notes Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

2.2.4 *Master Definitions Agreement*

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

3. **FORM, TITLE AND DENOMINATION**

3.1 *Denomination*

The Senior Notes are issued in the denomination of €100,000.

3.2 *Form*

The Senior Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

3.3 *Title and Monte Titoli*

The Senior Notes will be held by Monte Titoli on behalf of the Senior Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title will be issued in respect of the Senior Notes.

3.4 *The Rules*

The rights and powers of the Senior Noteholders may only be exercised in accordance with the Rules attached to these Senior Notes Conditions as an Exhibit which shall constitute an integral and essential part of these Senior Notes Conditions.

3.5 *Rights under the Deed of Pledge*

The rights arising from the Deed of Pledge are included in each Senior Note.

4. STATUS, PRIORITY AND SEGREGATION

4.1 *Status*

The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Senior Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights as further specified in Senior Notes Condition 9.2 (*Limited recourse obligations of the Issuer*). The Senior Noteholders acknowledge that the limited recourse nature of the Senior Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

4.2 *Segregation by law and security*

4.2.1 By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolio is 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.

4.2.2 The Notes of each Class have the benefit of the Security over certain assets of the Issuer pursuant to the Deed of Pledge.

4.3 *Ranking*

4.3.1 In respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) on the Notes, prior to the delivery of a Trigger Notice:

(i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro* rata without any preference or priority among themselves, but in priority to repayment of principal due on the Senior Notes and to payments of any amount due on the Class J Notes; and

(ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class J Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and repayment of principal due on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount.

4.3.2 In respect of the obligation of the Issuer to repay principal due on the Notes, prior to the delivery of a Trigger Notice:

(i) the Class A1 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes but in priority to repayment of principal due on the Class A2 Notes and payments of any amount due on the Class J Notes;

(ii) the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes and repayment of principal due on the Class A1 Notes but in priority to payment of any amount due on the Class J Notes;

(iii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to the Variable Return until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount and subordinated to the Variable Return for an amount equal to the Class J Notes Retained Amount.

4.3.3 Following the delivery of a Trigger Notice, in respect of the obligation of the Issuer to pay interest and Variable Return (as applicable) and to repay principal on the Notes:

(i) the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Class J Notes; and

(ii) the Class J Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

4.3.4 The Rules of the Organisation of the Noteholders contain provisions regarding the protection of 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 interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4 *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. **COVENANTS**

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in any of the Transaction Documents:

5.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.2 *Restrictions on activities*

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* or *società collegata* each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset including in the context of enforcement proceedings relating to a Real Estate Asset; or

5.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by applicable law; or

5.4 *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 29 April 2011, unless in order to comply with the provisions of law applicable to it as a financial intermediary; or

5.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

5.6 *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

5.7 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Expenses Account, the Quota Capital Account or any bank account opened in relation to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or *atto costitutivo* except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities; or

5.10 *Corporate records, financial statements and 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 *Further securitisations*

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Senior Notes, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law.

6. **PRIORITY OF PAYMENTS**

6.1 *Pre Trigger Notice Priority of Payments*

Prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

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

Second, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

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

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A1 Notes and the Class A2 Notes on such Payment Date;

Sixth, to credit into the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Target Cash Reserve Amount;

Seventh, to pay, *pari passu* and *pro rata*, on the Class A1 Notes the Principal Amount Outstanding in respect of the Class A1 Notes on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata*, on the Class A2 Notes the Principal Amount Outstanding in respect of the Class A2 Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata*, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Pre Trigger Notice Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement and to the Servicer the Junior Servicing Fees;

Eleventh, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Twelfth, to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

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

6.2 *Post Trigger Notice Priority of Payments*

On each Payment Date following the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is an Insolvency Event, to pay mandatory expenses in accordance with applicable law relating to such Insolvency Event in accordance with the applicable laws or, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents;

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

Fifth, to pay, *pari passu* and *pro rata*, the Interest Payment Amount on the Class A1 Notes and the Class A2 Notes on such Payment Date;

Sixth, to pay, *pari passu* and *pro rata*, the Principal Amount Outstanding in respect of the Class A1 Notes and the Class A2 Notes;

Seventh, to pay any amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement and to the Servicer the Junior Servicing Fees;

Ninth, to pay, *pari passu* and *pro rata*, principal on the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to the Class J Notes Retained Amount;

Tenth to pay, *pari passu* and *pro rata*, the Variable Return on the Class J Notes; and

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

7. INTEREST

7.1 *Accrual of interest*

Each Senior Note of each Class of Senior Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date.

7.2 *Payment Dates and Interest Periods*

Interest on each Senior Note of each Class of Senior Notes will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling in June 2014 in respect of the Initial Interest Period.

7.3 *Termination of interest accrual*

Each Senior Note of each Class of Senior Notes (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Senior Note of each Class of Senior Notes (or the relevant portion thereof) will continue to bear interest in accordance with this Senior Notes Condition (both before and after judgment) at the rate from time to time applicable to such Senior Note until the day on which either all sums due in respect of such Senior Note up to that day are received by the relevant Senior Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Senior Noteholders.

7.4 *Calculation of interest*

Interest 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*

7.5.1 The rate of interest applicable to the Class A1 Notes (the "**Class A1 Interest Rate**") for each Interest Period, including the Initial Interest Period, shall be the aggregate of the Euribor and the Relevant Margin. There shall be no maximum or minimum Class A1 Interest Rate.

7.5.2 The rate of interest applicable to the Class A2 Notes (the "**Class A2 Interest Rate**") for each Interest Period, including the Initial Interest Period, shall be equal to the aggregate of (i) the lower of (a) the Euribor and (b) 6% per annum; and (ii) the Relevant Margin.

7.6 *Determination of Class A1 Interest Rate and Class A2 Interest Rate and calculation of Interest Payment Amounts*

The Issuer shall on each Determination Date determine or cause the Principal Paying Agent to determine:

7.6.1 the Class A1 Interest Rate and the Class A2 Interest Rate applicable to the next Interest Period beginning after such Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);

7.6.2 the Euro amount (the "**Interest Payment Amount**") payable as interest on a Senior Note of each Class of Senior Notes in respect of such Interest Period calculated by applying the Class A1 Interest Rate or the Class A2 Interest Rate, as the case may be, to the Principal Amount Outstanding of a Senior Note of the relevant Class of Senior Notes on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.7 *Notification of the Class A1 Interest Rate, Class A2 Interest Rate, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Determination Date), the Issuer (or the Principal Paying Agent on its behalf) will cause:

7.7.1 the Class A1 Interest Rate applicable for each Class A1 Notes for the related Interest Period;

7.7.2 the Class A2 Interest Rate applicable for each Class A2 Notes for the related Interest Period;

7.7.3 the Interest Payment Amount for each Note of each Class of Senior Notes for the related Interest Period; and

7.7.4 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 Servicer, Monte Titoli, Euroclear, Clearstream and the Irish Stock Exchange and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Monte Titoli*) on or as soon as possible after the relevant Determination Date.

7.8 *Amendments to publications*

The Class A1 Interest Rate, the Class A2 Interest Rate and the Interest Payment Amount for each Note of each Class of Senior Notes and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9 *Determination by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine (or cause to be determined) the Class A1 Interest Rate or the Class A2 Interst Rate or calculate the Interest Payment Amount for any Class of Senior Notes in accordance with this Senior Notes Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1 determine (or cause to be determined) the Class A1 Interest Rate and the Class A2 Interest Rate, as the case may be, at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

7.9.2 determine (or cause to be determined) the Interest Payment Amount for each Note of each Class of Senior Notes in the manner specified in Senior Notes Condition 7.6 (*Determination of Class A1 Interest Rate and Class A2 Interest Rate and calculation of Interest Payment Amounts*);

and any such determination shall be deemed to have been made by the Issuer.

7.10 *Notifications to be final*

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Senior Notes Condition 7 (*Interest*), whether by the Reference Banks (or any of them) and the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on all persons.

7.11 *Reference Banks and Principal Paying Agent*

The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be three Reference Banks and a Principal Paying Agent. If any such bank is unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. The Principal Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Principal Paying Agent is appointed notice of its appointment will be published in accordance with Senior Notes Condition 16 (*Notices*).

7.12 *Unpaid interest with respect to the Senior Notes*

Unpaid interest on the Senior Notes of each Class of Senior Notes shall accrue no interest.

8. **REDEMPTION, PURCHASE AND CANCELLATION**

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Senior Notes Condition, the Issuer shall redeem the Senior Notes of each Class at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Senior Notes in whole or in part prior to the Final Maturity Date except as provided below in Senior Notes Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Senior Notes Condition 12 (*Trigger Events*) and Senior Notes Condition 13 (*Enforcement*).

8.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Senior Notes in full on the Final Maturity Date, then the Senior Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Senior Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

8.2 *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the Priority of Payments set out in Senior Notes Condition 6 (*Priority of Payments*), the Issuer will cause:

8.2.1 the Class A1 Notes and the Class A2 Notes to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of the Class A1 Notes and the Class A2 Notes determined on the related Calculation Date; and

8.2.2 each Class J Note to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Class J Note determined on the related Calculation Date.

8.3 *Optional redemption*

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

8.3.1 that the Issuer has given not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem the Notes;

8.3.2 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate duly signed by the Issuer confirming that the Issuer will on the relevant Payment Date have the funds, not subject to the interests of any person, required to redeem all the Senior Notes in accordance with this Senior Notes Condition and any amount required to be paid under the Pre Trigger Notice Priority of Payments in priority to or *pari passu* with the Senior Notes.

8.4 *Optional redemption for taxation reasons*

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem in whole (but not in part) the Senior Notes and in whole (or in part, the Class J Noteholders having consented to such partial redemption) the Class J Notes of each Class at their Principal Amount Outstanding on any Payment Date, in accordance with the Pre Trigger Notice Priority if Payments:

8.4.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction); or

8.4.2 after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

8.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Pre Trigger Notice Priority of Payments and all its outstanding liabilities in respect of the Class J Notes (or, in case of redemption in part of the Class J Notes, the relevant portion of its outstanding liabilities in respect of the Class J Notes, the Class J Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Pre Trigger Notice Priority of Payments.

8.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) the aggregate principal payment (if any) due on each Senior Note of each Class of Senior Notes on the next following Payment Date and the Principal Payment Amount (if any) due on each Senior Note of that Class; and

(c) the Principal Amount Outstanding of each Senior Note of each Class of Senior Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Senior Note of such Class).

8.6.2 The principal amount redeemable in respect of each Note of each Class of Senior Notes (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the principal payment due in respect of such Class of Senior Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of a Class of Senior Notes, in accordance with the relevant Priority of Payments, on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of each Senior Note of such Class and the denominator of which is the then Principal Amount Outstanding of all the Senior Notes of the same Class, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of the relevant Senior Note.

8.7 *Calculation by the Representative of the Noteholders in case of Issuer's 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 each Class of the Senior Notes, the Principal Payment Amount in respect of each Senior Note of each Class of Senior Notes or the Principal Amount Outstanding in relation to each Senior Note of each Class of Senior Notes in accordance with this Senior Notes Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Senior Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note of each Class of Senior Notes to be notified immediately after calculation (through the Payments Report or the Trigger Event Report) to the Representative of the Noteholders, the Principal Paying Agent and, for so long as the Senior Notes are listed on the official list of the Irish Stock Exchange, the Irish Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note of each Class of Senior Notes to be given in accordance with Senior Notes Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

8.9 *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.10 *Notice Irrevocable*

Any such notice as is referred to in Senior Notes Condition 8.3 (*Optional redemption*), Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) and Senior Notes Condition 8.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Senior Notes at their Principal Amount Outstanding.

8.11 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.12 *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1 *Noteholders not entitled to proceed directly against Issuer*

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

9.1.1 no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Security;

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

9.1.3 until the date falling on the later of (i) one year and one day (or, in the event of prepayment of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

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

9.2 *Limited recourse obligations of Issuer*

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

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

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

9.2.3 if the Servicer has certified to the Representative of the Noteholders, that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Senior Notes Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

10. **PAYMENTS**

10.1 *Payments through Monte Titoli*

Payment of any amounts in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Change of Principal Paying Agent and appointment of additional paying agent*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other paying agents provided that (for as long as the Senior Notes of any Class of Senior Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) the Issuer will at all times maintain a paying agent with a Specified Office in the Republic of Ireland. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Principal Paying Agent or its Specified Offices to be given in accordance with Senior Notes Condition 16 (*Notices*).

11. **TAXATION**

11.1 *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Principal Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

11.3 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Senior Notes Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Principal Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

12. **TRIGGER EVENTS**

12.1 *Trigger Events*

Each of the following events is a "**Trigger Event**":

12.1.1 *Non-payment*

the Issuer defaults in the payment of the Interest Payment Amount and/or the amount of principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2 *Breach of other obligations under or in respect of the Most Senior Class of Notes*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Most Senior Class of Notes (other than any obligation for the payment of the Interest Payment Amount and/or the amount of principal due and payable on the Most Senior Class of Notes pursuant to (i) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for ten calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.3 *Breach of other obligations and representations and warranties by the Issuer*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents (other than the obligations specified under (i) and (ii) above) or 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 sole opinion of the Representative of the Noteholders, such default or such breach is not capable of remedy in which case no notice requiring remedy will be required) such default or such breach remains unremedied for ten calendar days after the Representative of the Noteholders has given written notice of the occurrence of such default to the Issuer requiring the same to be remedied; or

12.1.4 *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

12.1.5 *Unlawfulness*

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

12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Senior Notes Condition 13 (*Enforcement*) the Representative of the Noteholders:

12.2.1 in the case of a Trigger Event under Senior Notes Conditions 12.1.1 (*Non-payment*) and 12.1.2 (*Breach of other obligations under or in respect of the Most Senior Class of Notes)* shall; and

12.2.2 in the case of any other Trigger Event may in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

deliver a written notice (a "**Trigger Notice**") to the Issuer.

12.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

12.3.1 in the case of the occurrence of any of the events mentioned in Senior Notes Condition 12.1.5 (*Unlawfulness*), the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Senior Noteholders; and

12.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4 *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Variable Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

13. **ENFORCEMENT**

13.1 *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 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.

13.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Senior Notes Condition 13.1 (*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:

13.2.1 to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2 (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3 *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 Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby.

14. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

14.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. **PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. **NOTICES**

16.1 *Notices given through Monte Titoli*

Any notice regarding the Senior Notes of any Class of Senior Notes, as long as the Senior Notes of such Class are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2 *Notices in the Republic of Ireland*

As long as the Senior Notes of any Class of Senior Notes are listed on the official list of the Irish Stock Exchange and the rules of such exchange so require, any notice to relevant Senior Noteholders given by or on behalf of the Issuer shall also be published on the website of the Irish Stock Exchange and shall also be considered sent for the purposes of Directive 2004/109/CE. 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.

16.3 *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. **NOTIFICATIONS TO BE FINAL**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Senior Notes Conditions, whether by the Reference Banks (or any of them), the Principal Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Reference Banks, the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional 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.

18. **GOVERNING LAW AND JURISDICTION**

18.1 *Governing Law of Notes*

The Senior Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2 *Governing Law of Transaction Documents*

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

18.3 *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 Senior Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4 *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE SENIOR NOTES

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

1. **GENERAL**

1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051 and the €199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051 (together, the "**Senior Notes**") and the €89,450,000 Class J Residential Mortgage Backed Variable Return Notes due June 2051 (the "**Class J Notes**"), issued by Voba N. 5 S.r.l. and is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Variable Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Variable Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Variable Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1.3 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) a change to this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting

Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Principal Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Principal Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

"**Class J Notes Conditions**" means the terms and conditions of the Class J Notes as from time to time modified in accordance with the provisions herein contained and including any other document expressed to be supplemental thereto and any reference to a particular numbered Class J Notes Condition shall be construed accordingly.

"**Condition**" means, as applicable, a condition of the Senior Notes Conditions or of the Class J Notes Conditions.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

“**Most Senior Class of Notes**” means, together, the Class A1 Notes and the Class A2 Notes, while they remain outstanding and thereafter the Class J Notes.

“**Ordinary Resolution**” means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

“**Proxy**” means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

“**Resolutions**” means Ordinary Resolutions and Extraordinary Resolutions collectively.

“**Senior Notes Conditions**” means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed in relation to the Senior Notes accordingly.

“**Specified Office**” means (i) with respect to the Principal Paying Agent (a) the office specified against its name in clause 20.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Principal Paying Agent may specify in accordance with clause 15.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

“**Transaction Party**” means any person who is a party to a Transaction Document.

“**Trigger Event**” means any of the events described in Condition 12 (*Trigger Events*) of the Senior Notes Condition or Condition 12.1 (*Trigger Events*) of the Class J Notes Conditions.

“**Trigger Notice**” means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*) of the Senior Notes Condition or Condition 12.2 (*Delivery of Trigger Notice*) of the Class J Notes Conditions.

“**Voter**” means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction.

“**Voting Certificate**” means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time; or

(b) a certificate issued by the Principal Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Principal Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Senior Notes Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. **PURPOSE OF THE ORGANISATION**

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 Deemed Holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Principal Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Principal Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. CONVENING A MEETING

6.1 Convening a Meeting

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

6.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

7. NOTICE

7.1 Notice of meeting

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders and the Principal Paying Agent and any other agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agent*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. CHAIRMAN OF THE MEETING

8.1 Appointment of Chairman

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. QUORUM

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be two or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting two or more persons being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be two or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, two or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be two or more persons holding or representing at least 75 per cent of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, two or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class;

provided that if in respect of any Class of Notes the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting

Instructions so confirm then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

9.2 Without prejudice to the provisions of Rule 9.1 above, with respect to a Meeting convened to vote on an Extraordinary Resolution regarding the matters specified under Rules 19.1.4, 19.1.11, 19.1.12, 19.1.13 or 19.1.14, the Senior Notes which are held by the Originator and/or its affiliates shall not be taken into account for the purposes of (i) the quorum necessary to convene the relevant Meeting and (ii) the quorum to resolve on the relevant matter, and no vote may be cast by the Originator and/or its affiliates in respect of such Notes, provided that the above restriction on voting rights does not apply in case the then outstanding Senior Notes are entirely held by the Originator and/or its affiliates.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. **NOTICE FOLLOWING ADJOURNMENT**

12.1 **Notice required**

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €1,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules, the Senior Notes Conditions or the Class J Notes Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Senior Notes Conditions or the Class J Notes Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Senior Notes Conditions, the Class J Notes Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 of the Senior Notes Conditions or Condition 12 of the Class J Notes Conditions;

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Senior Notes Conditions, the Class J Notes Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Senior Notes Conditions or the Class J Notes Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

19.1.11 terminate the appointment of the Originator in its capacity as Servicer;

19.1.12 direct the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event;

19.1.13 resolve on the enforcement of any of the Issuer's rights under the Transaction Documents against the Originator;

19.1.14 resolve on any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, there may be a conflict of interest between the Senior Noteholders (in such capacity) and the Originator in any role (other than as Senior Noteholder) under the Securitisation.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 Extraordinary Resolution of a single Class

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to with such Class would be materially prejudiced by the absence of such sanction.

20. EFFECT OF RESOLUTIONS

20.1 Binding Nature

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Class J Noteholders and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules, the Senior Notes Conditions and the Class J Notes Conditions, joint Meetings of the Senior Noteholders and the Class J Noteholders may be held to consider the same

Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) of the Senior Notes Conditions or, as the case may be, Condition 9 (*Limited recourse and non petition*) of the Class J Notes Conditions and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

27. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree 13 August 2010 No. 141 as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

The Representative of the Noteholders 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*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 Specific limitations

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Portfolio;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Senior Notes Condition 12.3.1 or Class J Notes Condition 12.3.1 on the basis of an opinion formed by it in good faith;

31.2.17 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 Resolution or direction of Noteholders

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 Certificates of Monte Titoli Account Holders

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and as ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

33. MODIFICATIONS

33.1 Modification

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 of the Senior Notes Conditions and Condition 5.11 of the Class J Notes Conditions and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 Binding Notice

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 Modifications requested by the Noteholders

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. WAIVER

34.1 Waiver of Breach

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

35. **SECURITY DOCUMENTS**

35.1 **The Deed of Pledge**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to in this Article 35 as the "**Secured Noteholders**".

35.2 **Rights of Representative of the Noteholders**

35.2.1 The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Payments Account or to any other account opened in the name of the Issuer and appropriate for such purpose;

35.2.2 The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Accounts or to any other account opened in the name of the Issuer and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deed of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

36. INDEMNITY

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

37. LIABILITY

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

38. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer’s Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

39. GOVERNING LAW

The Rules and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

40. JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

Ring-fencing of the assets

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

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law which has been recently amended by Law Decree number 145 of 23 December 2013 (converted into law by Law number 9 of 21 February 2014).

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration in the companies register, so avoiding the need for individual notification to be served on each debtor.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which relating to the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

   (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

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 fixes 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 fixes the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount who 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 is agrees, he provides consequently to the distribution. If there is no agreement between the creditors the judge provides to 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 ninety days, otherwise the seizure lapses.

Normally, the debtor's distrained 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 hears the parties and he will 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.

Enforcement proceedings of mortgaged properties

The Italian civil code provides that mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

In accordance with the Italian code of civil procedure, as amended and supplemented, a mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence enforcement proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed (*atto pubblico*) or a notarised private deed (*scrittura privata autenticata*), a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be. The property will be attached by a court order to be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*).

The mortgage lender who intends to request the attachment of the mortgaged property shall (i) search the land registry to ascertain the identity of the current owner of the property and then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender, and (ii) deposit at the competent court, within 120 days of filing, any relevant documentation, as required by law. The court may, at the request of the mortgage lender and after hearing the debtor, appoint a custodian to manage the mortgaged property in the interests of the mortgage lender. If the debtor does not occupy the mortgaged property, the court shall appoint a third party as custodian.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. According to Law number 302 of 3 August 1998 a mortgage lender can substitute such cadastral certificates with certificates obtained from public notaries; the latter are allowed to conduct various activities which were before exclusively within the powers of the courts.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's valuation, the court shall determine the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction.

The sale proceeds, after the deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings, from the court order or injunction of payment to the final sharing out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the duration of the procedure can significantly exceed the average. In such a sense, Law number 302 of 3 August 1998 was issued for the purpose of shortening the duration of enforcement proceedings by an average of two or three years, by allowing notaries to conduct certain stages of the enforcement procedures in place of the courts.

***Mutui fondiari* enforcement proceedings**

Some of the Mortgage Loans are *mutui fondiari*. Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by article 38 (and following) of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of *mutui fondiari* is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, as amended by article 12 of Legislative Decree number 342 of 4 August 1999, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutui fondiari* loan.

Enforcement proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by Royal Decree number 646 of 16 July 1905 which confers on the *mutuo fondiario* lender rights and privileges which are not conferred by the Consolidated Banking Act with respect to enforcement proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has replaced the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert valuation.

Attachment of Debtor's credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary, etc.) or on borrower's movable property which is located on third party premises.

Early redemption of mortgage loans and equitable reduction of prepayment penalties under the ABI - Consumers agreement entered into in accordance with article 7, paragraph 5, of the Bersani Decree and other miscellaneous measures relating to mortgage liens.

Legislative Decree 141 has introduced in the Consolidated Banking Act article 120-*ter*, which replicates the provisions of article 7 of the Bersani Decree, now repealed. Article 120-*ter* of the Consolidated Banking Act provides that any contractual clause imposing a prepayment penalty in case of early redemption of mortgage loans is void with respect to mortgage loan agreements entered into, with an individual as borrower for certain purposes. According to new article 161, paragraph 7-*ter* of the Consolidated Banking Act, the above-mentioned article 120-*ter* is applicable to (i) mortgage loan agreements entered into for the purchase of the primary residence ("*prima casa*"), on or after 2 February 2007 and (ii) mortgage loan agreements entered into for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity, on or after 3 April 2007. With respect to loan agreements entered into prior to 2 February 2007, article 7, paragraph 5 of the Bersani Decree, now repealed by Legislative Decree 141, provided that the Italian banking association ("**ABI**") and the main national consumer associations were entitled to reach, within three months from 2 February 2007, an agreement regarding the equitable renegotiation of prepayment penalties within certain maximum limits calculated on the residual amount of the loans (in each instance, the "**Substitutive Prepayment Penalty**"). Had ABI and the relevant consumer associations failed to reach an agreement, the Bank of Italy would have determined the Substitutive Prepayment Penalty by 2 June 2007.

The agreement reached on 2 May 2007 between ABI and national consumer associations (the "**Prepayment Penalty Agreement**") contains the following main provisions (as described in an ABI press release dated May 2007):

(i) with respect to variable rate loan agreements - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(ii) with respect to fixed rate loan agreements entered into before 1 January 2001 - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(iii) with respect to fixed rate loan agreements entered into after 31 December 2000 - the Substitutive Prepayment Penalty should be equal to: (a) 1.90 per cent. if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50 per cent. if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20 per cent., in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that:

(a) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001, the amount of the relevant prepayment penalty shall be reduced by 0.20 per cent.;

(b) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25 per cent. if the agreed amount of the prepayment penalty was equal or higher than 1.25 per cent.; or (y) 0.15 per cent., if the agreed amount of the prepayment penalty was lower than 1.25 per cent.

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

In relation to the provisions of the Prepayment Penalty Agreement, it is expected that further interpretative and supplemental indications may be issued, the specific impact of which cannot be accurately anticipated at this time.

Notwithstanding the fact that Legislative Decree 141 repealed article 7 of the Bersani Decree, Article 161, paragraph 7-*ter* of the Consolidated Banking Act disposes that with respect to loan agreements entered into prior to 2 February 2007, the provisions provided for under the Prepayment Penalty Agreement continue to be applicable.

Simplified procedures for cancellation of mortgages of *mutui fondiari*

Article 40-*bis* of the Consolidated Banking Act, as amended by Legislative Decree 141 replicates some provisions (now repealed by Legislative Decree 141) of article 13 of the Bersani Decree, and provides for a simplified procedures meant to allow a more prompt cancellation of mortgages securing loans (more precisely, *mutui fondiari* only) granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

Insolvency proceedings

Under article 1 of the Bankruptcy Law commercial entrepreneurs (companies or individuals) (*imprenditori che esercitano un'attività commerciale*) may be subject to the insolvency proceedings (*procedure concorsuali*) provided for by the Italian Bankruptcy Law being, *inter alia*, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*).

Each commercial entrepreneur is not subject to insolvency proceedings pursuant to the Bankruptcy Law if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) are not higher than Euro 300,000;

(b) its annual gross revenue over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) is not higher than Euro 200,000; and/or

(c) its indebtedness – whether due or not – is in aggregate not higher than Euro 500,000.

Bankruptcy

A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon request of one or more of its creditors or of the public prosecutor) if it is not able to timely and duly fulfill its obligations.

The declaration of bankruptcy issued by the bankruptcy court will provide for, *inter alia*:

- the appointment of a deputy judge (*giudice delegato*) that will supervise the proceeding;
- the appointment of a receiver (*curatore fallimentare*) that will deal with the distribution of the debtor's assets;
- the filing of all the debtor's accounting records and ledgers with the court;
- the establishment of the terms upon which creditors must file their claims.

The court order deprives the debtor of the right to manage its business which is taken over by the court-appointed receiver and, as a result, the debtor is no longer able to dispose of all its assets. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. In addition, any legal action taken and proceedings already initiated by creditors against the debtor are automatically suspended (the so called "automatic stay").

The proceeding is closed by an order of the bankruptcy court. Once the receiver has disposed of all the debtor's assets, but prior to allocating the proceeds, it must submit a final report to the deputy judge on his administration. Finally (after creditors' motions against such final report have been decided) the deputy judge orders the allocation of the net proceeds. Thereafter, creditors may sue the debtor to obtain payment of any unrecovered portion of their claims and of interest thereon. A bankruptcy proceeding may also end with a settlement accepted by the creditors (*concordato fallimentare*).

*Pre-bankruptcy agreement (*concordato preventivo)

The debtor in "state of financial distress" (i.e. state of insolvency and/or financial crisis which may not constitute insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*) on the basis of a recovery plan which may provide for:

(a) the restructuring of debts and the satisfaction of creditors in any manner, even through transfer of debtor's assets, novations or other extraordinary transactions, including the assignement to the creditors of shares, quotas, bonds (also convertible into shares) or other financial instruments and debt securities;

(b) the assignment of the debtor's assets in favour of an assignee (*assuntore*), that can be appointed even among the creditors;

(c) the division of creditors into classes; and

(d) different treatments for creditors belonging to different classes.

It is possible that, according to the proposed plan, creditors with liens or security interests (*pegno* and *ipoteca*) can be partially satisfied provided that their claims would not be satisfied in a higher measure through the sale of their secured assets.

Once the court declares the procedure admissible, from the date of the filing of the debtor's petition and until the order of the court becomes definitive, creditors whose claims have arisen prior to the date of the judicial approval (*decreto di omologazione*) cannot commence or proceed with restraining actions or enforcement proceedings on debtor's assets (the so called "automatic stay").

The pre-bankruptcy agreement (*concordato preventivo*) is approved by creditors representing the majority of the claims admitted to vote. In the event that the proposal provides for the creation of classes of creditors, the pre-bankruptcy agreement is approved when in the majority of classes a favourable vote is obtained from the majority of the claims admitted to vote in each class. Should a creditor belonging to a dissenting class disagree with the proposed agreement, the court may also approve the pre-bankruptcy agreement if it deems that such a creditor would be satisfied in a measure not lower than compared with other practicable solutions.

If the required majorities are not reached, the court declares the proposed pre-bankruptcy agreement inadmissible. In such a case, the court declares the bankruptcy of the debtor only if there is a petition of a creditor or a request of the public prosecutor.

In case of judicial approval (*decreto di omologazione*), the pre-bankruptcy agreement becomes obligatory for all of the debtor's creditors in existence prior to the admission to the pre-bankruptcy agreement procedure.

It must be noted that a relevant innovation to the pre-bankruptcy agreement procedure has been introduced by Law Decree number 83 of 22 June 2012 (as converted into law by Law number 134 of 7 August 2012, the "**Bankruptcy Decree**"). Pursuant to the Bankruptcy Decree, a debtor can file with the competent Court just a simple rquest for admission to the pre-bankruptcy agreement, provided that it shall file the proposal, the plan and other necessary documents within a term established by the judge and which shall be included between 60 and 120 days from the date of filing of the sole request. The Bankruptcy Decree has also provided that in the period included between the date of filing of the request and the date of the decree admission to the pre-bankruptcy agreement, the debtor may execute not only acts of ordinary management but also urgent acts of extraordinary management, provided that, in such case, it has been duly authorised by the Court.

Moreover, the Bankruptcy Decree has also introduced in the Bankruptcy Law a specific provision (article 186-*bis*) regarding the hypothesis in which the pre-bankruptcy agreement may provide for the continuation of the business activity, the sale or transfer of the active business-concern to one or more companies.

*Debt restructuring agreements under Italian Bankruptcy Law (*Accordi di ristrutturazione dei debiti*)*

Pursuant to article 182-*bis* of the Bankruptcy Law, an entrepreneur in state of distress can enter into a debt restructuring agreement with its creditors in the context of a pre-bankruptcy agreement (182-*bis* agreement or *accordo di ristrutturazione dei debiti*).

In order to obtain the court approval (*omologazione*), the entrepreneur must file with the competent court an agreement for the restructuring of debts entered into by creditors representing at least 60 per cent. of the debtor's debts, together with an assessment made by an expert on the feasibility of the agreement, particularly with respect to the regular payments (to be made within (i) 120 days from the Court's approval (*omologazione*) in respect of any receivables due and payable on such a date, and (ii) in respect of any receivables not yet due and payable on the Court's approval date, within 120 days from their respective due date) in favour of creditors who have not entered into such debt restructuring agreement.

From the day the agreement is published in the companies register:

(a) the agreement is effective;

(b) creditors whose claims have arisen prior to such date cannot commence or continue precautionary actions (*azioni cautelari*) or foreclosure proceedings (*azioni esecutive*) on the assets of the debtor for 60 days and cannot obtain any pre-emption rights (except if it was so agreed); and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval (*omologazione*) to the debt restructuring agreement once it has decided on any opposition.

According to the article 182-*bis*, paragraph 6, of the Bankruptcy Law, introduced by Italian law decree number 78 of 31 May 2010, upon request of the entrepreneur, the preventive effects mentioned under paragraph (b) above may also be produced before the entering into of the debt restructuring agreement, provided that the entrepreneur gives evidence of the feasibility of the debt restructuring plan under discussion by filing certain documents with the court. In particular, the entrepreneur shall:

(i) certify that negotiations are pending with creditors representing at least 60 per cent. of the debtor's debts;

(ii) provide an assessment by an expert confirming that the debt restructuring agreement being negotiated by the debtor allows regular payment of the creditors not entering into such agreement.

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 mortgage 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 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% 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.

Taxation

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This summary will not be updated by the Issuer after the Issue Date to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Italian legislative decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**"), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from the Notes.

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual (unless he has opted for the application of the *risparmio gestito regime* – see under "*Capital gains tax*" below – where applicable); (ii) a partnership (other than *società in nome collettivo*, *società in accomandita semplice* or a similar partnership), de facto partnerships not carrying out commercial activities and professional associations; (iii) a public and private entity (other than a company) and trust not carrying out commercial activities; or (iv) an investor exempt from Italian corporate income taxation, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes, accrued during the relevant holding period, are subject to an *imposta sostitutiva*, levied at the rate of 20 per cent.

If the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the income tax due.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy, to which the Notes are effectively connected, of a non-Italian resident entity and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to ordinary Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP – the regional tax on productive activities).

Payments of interests (including the difference between the redemption amount and the issue price), premiums or other proceeds in respect of the Notes, deposited with an authorised intermediary, made to Italian real estate investment funds (the "**Italian Real Estate Fund**"), are subject neither to substitute tax 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 20 per cent on distributions made by Italian Real Estate Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund owning more than 5 per cent of the fund's units.

Where an Italian resident Noteholder is an Italian open-ended or a closed-ended investment fund ("**Fund**") or a *società d'investimento a capitale variabile* ("**SICAV**") and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes are subject neither to substitute tax nor to any other income tax in the hands of the Fund. A withholding tax may apply in certain circumstances at the rate of up to 20% on distributions made by the Fund or SICAV.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of Italian legislative decree No. 252 of 5 December 2005, as subsequently amended, "**Italian Pension Fund**") and the Notes are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**"). An Intermediary must (i) be resident in Italy or a permanent establishment in Italy of a non-Italian resident financial intermediary; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in the ownership of the relevant Notes or a transfer of the Notes to another deposit or account held with the same or another Intermediary.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer, should the interest be paid directly by the latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the "**White List States**"); (ii) an international body or entity set up in accordance with international agreements which has entered into force in Italy; (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is incorporated in a White List State, even if it is not subject to income tax therein.

White List States are currently identified by Ministerial Decree of 4 September 1996. However, once the provisions introduced by Law 24 December 2007 No. 244 affecting the regime described above become effective, non-Italian resident beneficial owners of the Notes, without a permanent establishment in Italy to which the Notes are effectively connected, will not be subject to the substitute tax on interest, premium and other income, provided that the non-Italian beneficial owners are resident in countries included in the forthcoming Ministerial Decree (the "**Decree**") that allow an adequate exchange of information with the Italian Tax Authorities. The list of countries included in the above-mentioned Decree to be issued will become effective as of the tax period following the one in which the Decree will be enacted. For the five years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black - lists set forth by Ministerial Decrees of 4 May 1999, 21 November 2001 and 23 January 2002 nor in the current white list set forth by Ministerial Decree of 4 September 1996 are deemed to be included in the new white - list.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or a SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked and in which the Noteholder declares itself to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is requested neither for the international bodies or entities set up in accordance with international agreements which have entered into force in Italy, nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree dated 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 20 per cent (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders which are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or for which the above-mentioned provisions are not met.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by (a) Italian resident companies; (b) Italian resident commercial partnerships; (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Where an Italian resident Noteholder is an individual holding the Notes not in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent, pursuant to Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**").

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, 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 the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being made punctually in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent substitute tax to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian Real Estate Fund concurs to the year-end appreciation of the managed assets, which is exempt from any income tax according to the real estate investment fund tax treatment described above. A withholding tax may apply in certain circumstances at the rate of 20 per cent on distributions made by Italian Real Estate Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund owning more than 5 per cent of the fund's units.

Capital gains realised by a Noteholder which is a Fund or a SICAV will not be subject neither to substitute tax nor to any other income tax in the hands of the Fund or the SICAV. A withholding tax may apply in certain circumstances at the rate of up to 20 per cent on distributions made by the Fund or SICAV to certain categories of investors.

Any capital gains realised by a Noteholder which is an Italian Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent substitute tax.

The 20 per cent final *imposta sostitutiva* on capital gains may be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy if the Notes are traded on a regulated market in Italy or abroad and, in certain cases, subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not traded on a regulated market in Italy or abroad, pursuant to the provisions of article 5 of Decree 461, non-Italian resident beneficial owners of the Notes without a permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes, if they are resident, for tax purposes, in a White List State as defined above.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold the Notes with an Italian authorised financial intermediary, in order to benefit from exemption from Italian taxation on capital gains, such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating they are resident for tax purposes in a White List State.

Exemption from Italian *imposta sostitutiva* on capital gains realised upon disposal of Notes not listed on a regulated market also applies to non-Italian residents who are (a) international bodies and organisations established in accordance with international agreements ratified in Italy; (b) certain foreign institutional investors established in White List States, even if not subject to income tax therein; and (c) Central Banks or other entities, managing also official State reserves.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold the Notes with an Italian authorised financial intermediary, in order to benefit from exemption from Italian taxation on capital gains, such non-Italian residents may be required to timely file, with the authorised financial intermediary, appropriate documents which include, *inter alia,* a certificate of residence issued by the competent tax authorities of the country of residence of the non-Italian residents.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Application of the tax at source

Pursuant to the changes to Art. 4, paragraph 2 of Law Decree No. 167 of 28 June 1990 ("**Decree 167**"), introduced by Law No. 97 of 6 August 2013 ("**Law 97**"), as interpreted by the tax authorities, Italian-based intermediaries required to comply with anti-money laundering legislation under Legislative Decree No. 231 of 21 November 2007 have to apply a 20% tax at source on any transfers received on behalf of Italian-resident individuals, non-commercial partnerships and non-commercial entities from abroad, even where no *imposta sostitutiva* or other Italian withholding tax were due (e.g. because the transfer consists of a repayment of capital) except where their client provides in advance the intermediary with sufficient information to determine that no tax is due or the amount on which the tax has to be calculated. According to the decision of the Italian Tax Agency prot. No. 2014/24663 of 19 February 2014, the Italian-based intermediaries will apply the above mentioned 20% tax at source on the incomes and the transfers received starting from 1st July 2014.

Italian inheritance and gift tax

Under Law Decree No. 262 of 3 October 2006 (converted with amendments into Law No. 286 of 24 November 2006), as subsequently amended, transfers of any valuable asset (including shares, bonds or other securities) as a result of death or gift or gratuities are taxed as follows:

(a) transfers in favour of spouses, direct ascendants or descendants are subject to an inheritance and gift tax applied at a rate of 4 per cent on the entire value of the inheritance or the gift exceeding Euro l,000,000.00 for each beneficiary;

(b) transfers in favour of relatives within the fourth degree, ascendants or descendants relatives in law or other relatives in law within the third degree are subject to an inheritance and gift tax at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the entire value of the inheritance or the gift exceeding Euro 100,000.00 for each beneficiary; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.00.

Transfer tax

Transfer tax has been repealed by Law Decree No. 248 of 31 December 2007, converted in law by Law No. 31 of 28 February 2008. The transfer deed may be subject to registration tax at a fixed amount of €200.

Wealth tax

According to Article 19 of Decree of 6 December 2011, No. 201 ("**Decree No. 201/2011**"), converted with Law of 22 December 2011, No. 214, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent. The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial assets held outside of the Italian territory. Taxpayers are enabled to deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial assets are held (up to the amount of the Italian wealth tax due).

Stamp duty

According to Article 19 of Decree No. 201/2011, a proportional stamp duty applies on a yearly basis at the rate of 0.2 per cent on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments.

For investors other than individuals, the annual stamp duty cannot exceed the amount of Euro 14.000,00. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance 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 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

EU Savings Directive and implementation in Italy

Legislative decree No. 84 of 18 April 2005 ("**Decree 84**") implemented in Italy, as of 1 July 2005, the European Council Directive No. 2003/48/EC on the taxation of savings income. Under the Directive, Member States, if a number of important conditions are met, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg announced that it had decided to apply information exchange as per the EC Council Directive 2003/48/EC as from 1st January 2015. The final form of the measures is still unknown.

Same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date. Belgium announced that it had decided to apply information exchange as per the EC Council Directive 2003/48/EC as 1 January 2010. Therefore, with regard to Belgium, the transitional period ended on 31 of December 2009.

Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Senior Notes Subscription Agreement

Banca Popolare dell'Alto Adige S.C.p.A. ("**BPAA**" or the "**Underwriter**") has, pursuant to the Senior Notes Subscription Agreement dated on or about the Issue Date between the Issuer, BPAA, the Representative of the Noteholders and the Arranger, agreed to subscribe and pay the Issuer for the Senior Notes at their Issue Price of 100 per cent of their principal amount.

The Senior Notes Subscription Agreement is subject to a number of conditions and may be terminated by BPAA in certain circumstances prior to payment for the Senior Notes to the Issuer. The Issuer and BPAA have agreed to indemnify the Arranger against certain liabilities in connection with the issue of the Senior Notes.

The Class J Notes Subscription Agreement

The Underwiter has, pursuant to the Class J Notes Subscription Agreement dated on or about the Issue Date between BPAA, the Representative of the Noteholders and the Issuer, agreed to subscribe and pay the Issuer for the Class J Notes at the Issue Price of 100 per cent of their principal amounts upon issue of the Class J Notes.

The Class J Notes Conditions

Except for Class J Notes Conditions 3.1 (*Denomination*), 7 (*Variable Return*), 8.3 (*Optional redemption*) and 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the terms and conditions of the Class J Notes are the same, *mutatis mutandis*, as the Senior Notes Conditions.

Under the Senior Notes Conditions and the Class J Notes Conditions the obligations of the Issuer to make payment in respect of the Class J Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Class J Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

Each of the Issuer and BPAA has, pursuant to the Senior Notes Subscription Agreement, undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distribute this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer and BPAA has, pursuant to the Senior Notes Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes save as contained in this Prospectus or as approved for such purpose by the Issuer or BPAA or which is a matter of public knowledge.

General

Persons into whose hands this Prospectus comes are required by the Issuer and BPAA to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), BPAA represents, warrants and undertakes to the Issuer that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Amending Prospectus Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "*Prospectus Directive*" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "*Amending Prospectus Directive*" means Directive 2010/73/EU.

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.

BPAA has agreed that it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the offering of the Notes, within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells 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.

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

BPAA has, pursuant to the Senior Notes Subscription Agreement, represented, warranted and undertaken to the Issuer and each of the other that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

BPAA has, pursuant to the Senior Notes Subscription Agreement, represented, warranted and undertaken to the Issuer that they have not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and have not made and will not make available in the Republic of Italy any Notes, copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Financial Laws Consolidation Act and article 34-*ter*, paragraph 1, letter (b) of the CONSOB regulation No. 11971 of 14 May 1999 (as amended and integrated from time to time, "**CONSOB Regulation**") 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 Financial Laws Consolidation Act, Consob Regulation as amended, the Consolidated Banking Act and any other applicable laws and regulations.

General

BPAA has, pursuant to the Senior Notes Subscription Agreement acknowledged that (i) no action has or will be taken by them which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; (ii) the Notes may not be offered, sold or delivered by them and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by them to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by them in accordance with Italian securities, tax and other applicable laws and regulations; and (iii) no application has been made by them to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

France

BPAA represents, warrants and undertakes to the Issuer that it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Quotaholder of the Issuer passed on 12 February 2014.

(2) Application has been made to list the Senior Notes on the official list of the Irish Stock Exchange and to have the Senior Notes admitted to trading on the Regulated Market. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request.

(3) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.

(4) Save as disclosed in this Prospectus, there has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 13 January 2014 (being the date of its incorporation) that is material in the context of the issue of the Notes.

(5) Save as disclosed in section entitled "*The Issuer*", the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(6) Since 13 January 2014 (being the date of its incorporation), the Issuer has not commenced operations (other than 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) and, as at the date of this Prospectus no financial statements have been made. The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Senior Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Senior Notes	*Common code*	*ISIN code*
Class A1 Notes	105202300	IT0005009953
Class A2 Notes	105202741	IT0005009961

(8) As long as the Senior Notes are listed on the official list of the Irish Stock Exchange, copies of the following documents may be inspected and obtained free of charge during usual business

hours at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent at any time after the date of this Prospectus:

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the following agreements:

Receivables Purchase Agreement;
Servicing Agreement;
Back-up Servicing Agreement
Warranty and Indemnity Agreement;
Intercreditor Agreement;
Cash Allocation, Management and Payments Agreement;
Deed of Pledge;
Mandate Agreement;
Quotaholder's Agreement;
Corporate Services Agreement; and
Master Definitions Agreement.

(9) So long as any of the Senior Notes remains outstanding, copies of the Payments Reports and of the Investors Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders, respectively, on each Calculation Date and on each date on which it is produced. The first Payments Report will be available at the registered office of the Issuer and the Representative of the Noteholders on or about the Calculation Date falling in June 2014. The Payments Reports will be produced quarterly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Senior Note.

The Calculation Agent is authorised to make available each Investors Report to Noteholders on a quarterly basis via the Calculation Agent's internet website currently located at www.securitisation-services.com. It is not intended that Investors Report will be made available in any other format. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

(10) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €108,000 (excluding fees due to the Servicer and any VAT, if applicable).

(11) The total expenses payable in connection with the admission of the Senior Notes to trading on the Regulated Market will be borne by the Originator.

GLOSSARY

These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

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

"**Account Bank Report**" means the report to be prepared and delivered by the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report Date**" means the date falling 3 Business Days before each Payment Date, being the date on which the Account Bank Report will be delivered by the Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Accounts**" means, collectively, the Payments Account, the Collection Account, the Cash Reserve Account and the Securities Account and "**Account**" means any of them.

"**Accrued Interest**" means the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not yet due.

"**Adjustment Purchase Price**" means, in relation to any Receivable erroneously excluded from the Portfolio pursuant to clause 4.1.1, paragraph (b) of the Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of the Receivables Purchase Agreement.

"**Arranger**" means Natixis S.A.

"**Article 405**" means article 405 of the Regulation 575/2013/CE.

"**Back-up Servicer**" means Securitisation Services S.p.A.

"**Back-up Servicer Effective Date**" means the date on which the appointment of the Back-up Servicer as successor servicer becomes effective, in accordance with, and subject to the provisions of, the Back-up Servicing Agreement.

"**Back-up Servicing Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

"**Business Day**" means any day on TARGET2 is open.

"**Calculation Agent**" means Securitisation Services S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the date falling 3 Business Days before each Payment Date.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payment agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Originator, the Back-up Servicer, the Representative of the Noteholders, the Account Bank, the

Corporate Servicer, the Calculation Agent, the Principal Paying Agent and the Cash Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Manager**" means Banca Popolare dell'Alto Adige S.C.p.A., or any other person for the time being acting as Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Manager Report**" means the report to be prepared and delivered by th Cash Manager in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Manager Report Date**" means the date falling 1 Business Day prior to each Calculation Date, being the date on which the Cash Manager Report will be delivered by the Cash Manager pursuant to the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve**" means a reserve created with part of the proceeds of issue of the Class J Notes on the Issue Date in an amount equal to the Cash Reserve Initial Amount, to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 23 Y 03479 01600 000800946101, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Initial Amount**" means euro 10,000,000.

"**Class**" shall be a reference to a Class of Notes being the Class A1 Notes, the Class A2 Notes or the Class J Notes and "**Classes**" shall be construed accordingly.

"**Class A1 Noteholders**" means the holders of the Class A1 Notes.

"**Class A1 Notes**" means the €201,400,000 Class A1 Residential Mortgage Backed Floating Rate Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class A2 Noteholders**" means the holders of the Class A2 Notes.

"**Class A2 Notes**" means the €199,000,000 Class A2 Residential Mortgage Backed Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class J Noteholders**" means the holders of the Class J Notes.

"**Class J Notes**" means the €89,450,000 Class J Residential Mortgage Backed Variable Return Rate Notes due June 2051 issued by the Issuer on the Issue Date.

"**Class J Notes Conditions**" means the terms and conditions of the Class J Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Class J Notes Condition shall be construed accordingly.

"**Class J Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Class J Notes upon issue.

“**Class J Notes Subscription Agreement**” means the subscription agreement in relation to the Class J Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Originator.

“**Clean Up Option Date**” means the earlier of: (i) the Payment Date falling in December 2023; and (ii) the Payment Date on which the Principal Amount Outstanding of the Senior Notes is equal to 10% of the Principal Amount Outstanding of the Senior Notes upon issue.

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

“**Collection Account**” means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 97 Z 03479 01600 000800946102, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

“**Collection Period**” means a Monthly Collection Period or a Quarterly Collection Period, as applicable.

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

“**Conditions**” means, together, the Senior Notes Conditions and the Class J Notes Conditions and “**Condition**” means a condition of either of them or, where reference is made to a “**Condition**” with a number without indicating whether it is a reference to the Senior Notes Conditions or the Class J Notes Conditions, means that a Condition with that number appears in identical terms in both the Senior Notes Conditions and Class J Notes Conditions and the reference is to both.

“**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 and supplemented from time to time.

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

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

“**CRD IV**” means Directive 2013/36/EC.

“**Credit and Collection Policy**” means the procedures for the collection and recovery of Receivables attached as annex 3 to the Servicing Agreement.

“**Criteria**” means the criteria set out in the Receivables Purchase Agreement on the basis of which the Receivables are identified as a “pool” (*in blocco*), pursuant to articles 1 and 4 of the Securitisation Law.

“**CRR**” means the Regulation 575/2013/CE.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited, and (ii) in any other case, any entity of DBRS 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.

"**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 public rating, a Moody's public rating and an S&P 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.

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

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

"**Decree 239 Deduction**" means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

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

"**Defaulted Receivable**" means a Receivable classified by the Servicer as a "defaulted loan" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) or in respect of which there are:

(a) at least 10 monthly instalments overdue and unpaid; or

(b) at least 6 bimonthly instalments overdue and unpaid; or

(c) at least 4 quarterly instalments overdue and unpaid; or

(d) at least 2 semi-annual instalments overdue and unpaid; or

(e) at least 1 annual instalment overdue and unpaid for at least 90 days from the relevant due date,

in each case, whether such instalments are consecutive or not.

"**Delinquent Receivable**" means a Receivable classified by the Servicer as a "delinquent loan" (*credito ad incaglio*) pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) or in respect of which there are:

(a) at least 7 monthly instalments overdue and unpaid; or

(b) at least 4 bimonthly instalment overdue and unpaid; or

(c) at least 3 quarterly instalments overdue and unpaid for at least 30 days from the relevant due date; or

(d) at least 1 semi-annual instalment overdue and unpaid for at least 60 days from the relevant due date; or

(e) at least 1 annual instalment overdue and unpaid for at least 30 days from the relevant due date,

in each case, whether such instalments are consecutive or not.

"**Determination Date**" means:

(i) with respect to the Initial Interest Period, the day falling two Target2 Days prior to the Issue Date; and

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

"**Eligible Institution**" means a depository institution organised under the laws of any state which is a member of the European Union or of the United States:

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

    (i) with respect to DBRS:

        (x) a long-term public or private rating at least equal to "A"; or

        (y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or

        (z) such other rating as may from time to time comply with DBRS' criteria; and

    (ii) with respect to Fitch, a long-term public rating at least equal to "A" and 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 a first demand, irrevocable and unconditional guarantee (followed by, if requested, a legal opinion rendered by a reputable firm in the relevant jurisdictions) 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 and have at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee and the relating opinion have been notified to the Rating Agencies and comply with the Rating Agencies' criteria.

"**Eligible Investments**" means:

(a) Euro denominated senior (unsubordinated) debt securities or other debt instruments having the following ratings:

    (i) with respect to DBRS:

        (x) if such investments have a maturity date equal to or lower than 30 days: (1) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public or private rating at least equal to "A" 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 "A" in respect of long-term debt; or

(y) if such investments have a maturity date higher than 30 days but equal to or lower than 90 days: (1) a short-term public or private rating at least equal to "R-1 (middle)" in respect of short term debt or a long-term public rating at least equal to "AA (low)" in respect to long-term debt, or (2) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating at least equal to "AA(low)" in respect of long-term debt; or

(z) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch:

(x) if such investments have a maturity date equal to or lower than 30 calendar days, a short-term public rating at least equal to "F1" and a long-term public rating at least equal to "A"; or

(y) if such investments have a maturity date higher than 30 calendar days but not exceeding the immediately subsequent Eligible Investment Maturity Date, a short-term public rating at least equal to "F1+" and a long-term public rating at least equal to "AA-",

provided that such investments (i) are in dematerialised form; (ii) are immediately repayable on demand, disposable without any penalty or any loss; (iii) 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; (iv) in case of downgrading below the rating levels set out above, shall be liquidated within 3 days (unless a loss would result from the liquidation, in which case they shall be allowed to mature) and (v) have a maturity date not exceeding the Eligible Investments 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 Investments 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 calendar days from the date on which the institution ceases to be an Eligible Institution, to another Eligible Institution at cost of the account bank with which the relevant deposits were held; and (iv) the deposits shall be in Euro, held in Italy and subject to a first ranking security in favour of the Noteholders and the Other Issuer Creditors; or

(c) Euro denominated money market funds which permit daily liquidation of investments and which are rated (i) R-1 (middle) by DBRS or in the absence of a public or private rating by DBRS the DBRS Equivalent Rating of "A" 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 and are redeemable without any penalty or loss, with a maturity date not exceeding the Eligible Investment Maturity Date;

(d) any other investment which, subject to prior notice to DBRS and Fitch, does not adversely affect the then current ratings of the Senior Notes,

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.

"**Eligible Investments 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 2 (two) Business Days prior to each Payment Date.

"**Euribor**" means:

(a) prior to the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for three month Euro deposits which appears on the display page on Bloomberg (except in respect of the Initial Interest Period, where a linear interpolated interest rate based on interest rates for 2 and 3 month deposits in Euro will be substituted); or

(b) following the delivery of a Trigger Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Bloomberg display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

(c) in the case of (a) and (b), Euribor shall be determined by reference to such other page as may replace the relevant Bloomberg page on that service for the purpose of displaying such information; or

(d) in the case of (a) and (b), Euribor shall be determined, if the Bloomberg service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

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

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

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

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

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

"**Expenses**" means:

(a) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(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 Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, IBAN: IT03O0103061621000001325731, or such other substitute account.

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

"**Final Maturity Date**" means the Payment Date falling in June 2051.

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

"**First Payment Date**" means the Payment Date falling in June 2014.

"**Fitch**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, Fitch Italia – Società Italiana per il Rating S.p.A., 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.

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

"**Individual Purchase Price**" means, in respect of each Receivable, an amount, calculated as at the Valuation Date, equal to the aggregate of (i) all the Principal Instalments not yet due; (ii) all the Principal Instalments due but unpaid as at such date; and (iii) the Accrued Interest as at such date.

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

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"**Insurance Policy**" means each of the insurance policies taken out in relation to each Real Estate Asset and each Mortgage Loan.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Determination of Class A1 Interest Rate and Class A2 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.

"**Investors Report**" means the report to be prepared and delivered by the Calculation Agent in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 8 April 2014, or such other date on which the Notes are issued.

"**Issue Price**" means, in respect of a Class of Notes, 100% of the Principal Amount Outstanding of the Notes of the relevant Class upon issue.

"**Issuer**" means Voba N. 5 S.r.l., a *società a responsabilità limitata* with sole quotaholder incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso number 04641730264, enrolled in the register of special purpose vehicle held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 24 April 2011 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all Collections collected by the Servicer in respect of the Receivables (excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4.1 of the Warranty and Indemnity Agreement but including any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables (including recoveries and prepayments related to the Receivables)) during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement and the Warranty and Indemnity Agreement and credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(iii) any and all other amounts standing to the credit of the Payments Account and the Cash Reserve Account on the immediately preceding Calculation Date (other than the amounts already allocated under other items of the definition of the Issuer Available Funds);

(iv) all amounts (if any) in respect of interest and profit accrued or generated and paid on the Eligible Investments up to the Eligible Investment Maturity Date immediately preceding such Payment Date;

(v) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Payments Account, the Collection Account and the Cash Reserve Account during the immediately preceding Quarterly Collection Period;

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) any amounts (other than the amounts already allocated under other items of the definition of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period.

Following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall comprise, in addition to the amounts set out above, any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

"**Issuer's Rights**" means the Issuer rights under the Transaction Documents.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008.

"**Junior Servicing Fee**" means any costs borne by the Servicer in performing its services under the Servicing Agreement to be reimbursed to it in accordance with clause 8.2 of the Servicing Agreement.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**Listing Agent**" means BNP Paribas Securities Services, Luxembourg branch, or any other person for the time being acting as Listing Agent.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear and Clearstream.

"**Monte Titoli Mandate Agreement**" means the agreement entered into on or about the Issue Date between the Issuer and Monte Titoli.

"**Monthly Collection Period**" means:

(a) each period commencing on (but excluding) a Settlement Date and ending on (and including) the next following Settlement Date; and

(b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Valuation Date and ending on (and including) the Settlement Date falling in May 2014.

"**Monthly Servicer's Report**" means the monthly report to be prepared and delivered by the Servicer on each Monthly Servicer's Report Date in accordance with the Servicing Agreement.

"**Monthly Servicer's Report Date**" means, prior to the delivery of a Trigger Notice, the 10th calendar day of each month or, if such day is not a Business Day, the immediately following Business Day.

"**Mortgage**" means each mortgage granted on the relevant Real Estate Asset, pursuant to Italian law, in order to secure the Receivables.

"**Mortgage Loan**" means each mortgage loan granted to a Debtor, on the basis of a Mortgage Loan Agreement.

"**Mortgage Loan Agreement**" means each mortgage loan agreement entered into between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

"**Most Senior Class of Notes**" means (i) together, the Class A1 Notes and the Class A2 Notes, and (ii) following the full repayment of all the Class A1 Notes and the Class A2 Notes, the Class J Notes.

"**Noteholders**" means, together, the Senior Noteholders and the Class J Noteholders.

"**Notes**" means, together, the Senior Notes and the Class J Notes.

"**Obligations**" means all 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*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means Banca Popolare dell'Alto Adige S.C.p.A.

“**Other Issuer Creditors**” means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Back-up Servicer, the Cash Manager, the Corporate Servicer, the Principal Paying Agent, the Account Bank, and any party who at any time accedes to the Intercreditor Agreement.

“**Outstanding Principal**” means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments due on any subsequent Scheduled Instalment Date; and (ii) any Principal Instalments due but unpaid as at such date.

“**Payment Date**” means (a) prior to the delivery of a Trigger Notice, the 20 day of March, June, September and December in each year or, if such day is not a Business Day, the immediately following Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post Trigger Notice Priority of Payments, the Conditions and the Intercreditor Agreement, provided that the First Payment Date will fall on June 2014.

“**Payments Account**” means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT 46 X 03479 01600 000800946100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

“**Payments Report**” means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

“**Portfolio**” means the portfolio of Receivables purchased on 24 February 2014 by the Issuer pursuant to the terms and conditions of the Receivables Purchase Agreement.

“**Post Trigger Notice Priority of Payments**” means the Priority of Payments set out in Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*).

“**Pre Trigger Notice Priority of Payments**” means the Priority of Payments set out in Senior Notes Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

“**Principal Amount Outstanding**” means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note or Class of Notes.

“**Principal Instalment**” means the principal component of each Instalment.

“**Principal Payment Amount**” shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

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

“**Priority of Payments**” means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Class J Notes Conditions and the Intercreditor Agreement.

"**Privacy Law**" means Legislative Decree number 196 of 30 June 2003 and, to the extent applicable, Law number 675 of 31 December 1996, inclusive of any regulations for the implementation thereof, as supplemented by any regulations as the Italian Privacy Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) may issue from time to time.

"**Prospectus**" means this prospectus.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended and supplemented from time to time.

"**Purchase Price**" means €479,791,803.44.

"**Purchaser**" means Voba N. 5 S.r.l.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (but excluding) the Settlement Date falling in February, May, August and November and ending on (and including) respectively, the Settlement Date falling in May, August, November and February;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Valuation Date and ending on (and including) the Settlement Date falling in May 2014.

"**Quarterly Servicer's Report**" means the quarterly report delivered by the Servicer, on each Quarterly Servicer's Report Date, in accordance with article 5.2 of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means prior to the delivery of a Trigger Notice, the Monthly Servicer's Report Date of March, June, September and December of each year (or, if any such day is not a Business Day, the immediately following Business Day).

"**Quota Capital Account**" means the euro denominated account establish in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch with IBAN: IT15H0103061621000001324332 or such other substitute account.

"**Quotaholder**" means SVM Securitisation Vehicles Management S.r.l.

"**Quotaholder's Agreement**" means the agreement executed on or about the Issue Date between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rating Agencies**" means DBRS and Fitch.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure payment of the Receivables pursuant to the Mortgage Loan Agreements.

"**Receivables**" means all rights and claims of the Issuer arising out from any Mortgage Loan Agreement existing as at or arising from (and excluding) the Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including default interest) accrued on the Mortgage Loans and not collected up to (but excluding) the Valuation Date;

(c) all rights and claims in respect of the payment of interest (including default interest) accruing on the Mortgage Loans from (and including) the Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred pursuant to the Mortgage Loan Agreements;

(e) all rights and claims in respect of each Mortgage and any other guarantee and security relating to the relevant Mortgage Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other rights, claims and actions (including any legal proceeding for the recovery of suffered damages), and substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 24 February 2014 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Reference Bank**" means each of The Royal Bank of Scotland plc, HSBC Bank plc and Citibank N.A. and "**Reference Banks**" means all of them, or if any such bank is unable or unwilling to continue to act as such, any other bank as appointed by the Issuer with the prior consent of the Representative of the Noteholders.

"**Regulated Market**" means the Irish Stock Exchange's Regulated Market which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC.

"**Relevant Margin**" means, with respect to the Class A1 Notes, 1 per cent per annum and with respect to the Class A2 Notes, 1 per cent per annum.

"**Representative of the Noteholders**" means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Retention Amount**" means an amount equal to €20,000, provided that on the Payment Date on which the Notes are redeemed in full the Retention Amount shall be the amount indicated by the

Corporate Servicer as necessary to cover the corporate expenses of the Issuer following full redemption of the Notes.

"**Rules of the Organisation of the Noteholders**" means the rules of the organisation of the Noteholders attached as exhibit to the Senior Notes Conditions and the Class J Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to each Mortgage Loan Agreement.

"**Securities Account**" means the account established in the name of the Issuer with the Account Bank with number 946100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Security**" means the security created pursuant to the Deed of Pledge.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

"**Senior Noteholders**" means the holders from time to time of any of the Senior Notes.

"**Senior Notes**" means, together, the Class A1 Notes and the Class A2 Notes.

"**Senior Notes Conditions**" means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

"**Senior Notes Subscription Agreement**" means the subscription agreement in relation to the Senior Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Arranger.

"**Servicer**" means Banca Popolare dell'Alto Adige S.C.p.A., or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

“**Servicing Agreement**” means the agreement entered into on 24 February 2014 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

“**Settlement Date**” means the last calendar day of each month.

“**Subscription Agreements**” means, together, the Senior Notes Subscription Agreement and the Class J Notes Subscription Agreement.

“**Target Cash Reserve Amount**” means, in relation to each relevant Payment Date up to (but excluding) the Payment Date on which the Senior Notes are redeemed in full or cancelled, an amount equal to the lower of (without taking into account any principal payment to be made to the Noteholders on such Payment Date):

(i) Euro 10,000,000; and

(ii) the greater of: (a) 2.5% of the Principal Amount Outstanding of the Senior Notes as of the preceding Payment Date (for the avoidance of doubt after the application of the respective Priority of Payments); and (b) Euro 1,000,000,

provided that (A) on the Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal on the Senior Notes on such Payment Date) is equal to or lower than the Target Cash Reserve Amount as calculated in accordance with item (ii) above, (B) following the delivery of a Trigger Notice or (C) on the Final Maturity Date, the Target Cash Reserve Amount shall be equal to 0 (zero).

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“**Target2 Day**” means any day on which the TARGET2 is open.

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

“**Tax Deduction**” means any present or future tax, levy, impost, duty charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying of any of the same, but excluding taxes or net income) imposed or levied by or on behalf of any tax authority in Italy.

“**Transaction Documents**” means, together, the Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Senior Notes Subscription Agreement, the Class J Notes Subscription Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Back-up Servicing Agreement, the Deed of Pledge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder’s Agreement, the Master Definitions Agreement and this Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

“**Transaction Party**” means any party to a Transaction Document.

“**Transfer Date**” means 24 February 2014.

“**Trigger Event**” means any of the events described in Senior Notes Condition 12 (*Trigger Events*).

“**Trigger Event Report**” means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

“**Trigger Notice**” means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12 (*Trigger Events*).

“**Underwriter**” means Banca Popolare dell’Alto Adige S.C.p.A.

“**Usury Law**” means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

“**Valuation Date**” means 00:01 of 1 February 2014.

“**Variable Return**” means the amount of variable return payable on the Class J Notes on any Payment Date subject to the Class J Notes Conditions, determined in accordance with Class J Notes Condition 7 (*Variable Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority pursuant to the Priority of Payments on such Payment Date.

“**VAT**” means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time 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 agreement entered into on 24 February 2014 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

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