

# PROSPECTUS

pursuant to article 2 of Italian Law No. 130 of 30 April 1999

## GOLDEN BAR (SECURITISATION) S.R.L.

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

**€ 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030**

Issue price: 100 per cent.

**€ 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030**

Issue price: 100 per cent.

This 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 € 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030 (the "Class A Notes" or the "Senior Notes"), the € 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030 (the "Class B Notes" or the "Mezzanine Notes" and, together with the Senior Notes, the "Rated Notes") to be admitted to the official list (the "Official List") and trading on its regulated market. Such approval relates only to the Rated Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

The Rated Notes will be issued by Golden Bar (Securitisation) S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "Issuer").

In connection with the issue of the Rated Notes, the Issuer will also issue the € 75,100,000 Class C-2014-1 Asset Backed Notes due December 2030 (the "Class C Notes" or the "Junior Notes" and, together with the Rated Notes, the "Notes"). No application has been made to list on any stock exchange or admit to trading on any regulated market the Class C Notes.

The Notes will be issued on 11 June 2014 (the "Issue Date").

This Prospectus constitutes a *Prospetto Informativo* for all Notes for the purposes of article 2, sub-section 3 of Law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "Securitisation Law") and a prospectus for the purposes of article 5.3 of the Prospectus Directive. The Junior Notes are not being offered pursuant to this Prospectus.

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

The principal source of funds available to the Issuer for the payment of amounts due on the Notes will be Collections and Recoveries received in respect of the Claims arising from the Loans granted by Santander Consumer Bank S.p.A. ("Santander Consumer Bank") to certain Borrowers and purchased and to be purchased by the Issuer from Santander pursuant to the terms of the Master Transfer Agreement. The Loans are personal loans granted for the purpose of funding the purchase of Vehicles.

The Initial Portfolio was assigned and transferred by Santander Consumer Bank to the Issuer pursuant to the terms of the Master Transfer Agreement on the Initial Execution Date and the relevant Purchase Price will be funded through the proceeds of the Notes.

During the Revolving Period, subject to the terms and conditions of the Master Transfer Agreement, the Santander Consumer Bank may assign and transfer to the Issuer, and the Issuer shall purchase from the Santander Consumer Bank, Subsequent Portfolios of Claims, the Purchase Price of which will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments. The key features of the Claims, the Loans and the Borrowers are described in the section "The Aggregate Portfolio" below.

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 Aggregate Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other claims purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any amount deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

Interest in respect of the Notes will accrue on a daily basis and will be payable in Euro quarterly in arrears on the First Payment Date, being 22 September 2014, and on each Payment Date thereafter, being 20 March, 20 June, 20 September and 20 December of each year (or, if such day is not a Business Day, the immediately following Business Day).

The rate of interest applicable to the Class A Notes for each Interest Period will be equal to EURIBOR (as determined in accordance with Condition 7 (*Interest*) for three month deposits (except in respect of the Initial Interest Period where a linear interpolated interest rate based on three month and six month deposits in Euro will be substituted for the EURIBOR for three month deposits), plus a margin of 1.1 per cent. *per annum*.

The rate of interest applicable to the Class B Notes for each Interest Period will be equal to 1.30 per cent. *per annum*.

The Class A Notes are expected to be rated on the Issue Date "A(high)(sf)" by DBRS and "A2(sf)" by Moody's; and the Class B Notes are expected to be rated on the Issue Date "A(low)(sf)" by DBRS and "Baa2(sf)" by Moody's. The Class C Notes will not be assigned any 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.**

Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances provided for by Condition 8 (*Redemption, Purchase and Cancellation*). Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes will be redeemed on the Final Maturity Date, being the Payment Date falling in December 2030. Save as provided in the Terms and Conditions, the Notes will start to amortise on the Payment Date falling in June 2016, subject to there being sufficient Principal Available Funds available for such purpose, in accordance with the applicable Pre-Trigger Principal Priority of Payments. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.

As at the date of this Prospectus, all payments of principal and interest in respect of the Notes will be made free and clear of any withholding or deduction for or on account of Italian taxes, unless such a withholding or deduction is required to be made by Italian Decree No. 239 or otherwise by applicable law. If any withholding or deduction for or on account of tax is made in respect of any payment 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 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, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Subordinated Loan Provider, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Quotaholders, the Hedging Counterparty, the Subscriber or the Sole Arranger. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued in bearer form and 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 at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83 *bis* of the Financial Laws Consolidated Act; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

This Prospectus has been approved as of 13 June 2014.

**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".**

### SOLE ARRANGER



## **Responsibility statements**

*None of the Issuer, the Servicer, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Subordinated Loan Provider, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Quotaholders, the Hedging Counterparty, the Subscriber, the Sole Arranger or any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigation, search or other action to verify the details of the Claims, the Loan Agreements or to establish the creditworthiness of the Borrowers. In the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to, inter alia, the Claims, the Loan Agreements and the Borrowers.*

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

*Santander Consumer Bank has provided the information included in this Prospectus under the sections entitled "The Aggregate Portfolio", "The Originator and the Servicer", "The Credit and Collection Policies" and any other information contained in this Prospectus relating to itself, the Santander Consumer Bank banking group, the collection and underwriting procedures relating to the Aggregate Portfolio, the relevant Claims and Loans and, together with the Issuer, accepts responsibility for such information. Santander Consumer Bank has also provided the historical data used as assumptions to make the calculations contained in the section entitled "Estimated weighted average life of the Rated Notes and assumptions" on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of Santander Consumer Bank (having taken all reasonable care to ensure that such is the case) the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data.*

*BNP Paribas Securities Services, London Branch and BNP Paribas Securities Services, Milan Branch are members of the BNP Paribas Group and have provided the information included in this Prospectus under the section entitled "The BNP Paribas Group" and, together with the Issuer, accept responsibility for the information contained in that section, and to the best of the knowledge and belief of BNP Paribas Securities Services, London Branch and BNP Paribas Securities Services, Milan Branch (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import.*

*Abbey National Treasury Services has provided the information included in this Prospectus under the section entitled "The Hedging Counterparty" and, together with the Issuer, accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of Abbey National Treasury Services (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import.*

*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 Santander Consumer Bank (in any capacity), the Representative of the Noteholders, the Paying Agent, the Account Bank, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Computation Agent, the Subordinated Loan Provider, the Subscriber, the Sole Arranger or any other person. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation*

or imply that there has been no change in the affairs of the Issuer or the Originator or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

Save for the parties accepting responsibility for the information included in this Prospectus as stated above, no other party to the Transaction Documents accepts responsibility for such information.

Save as described under the section entitled "Subscription and Sale" and in the sections describing the Transaction Documents, so far as the Issuer is aware, no person involved in the offer of the Rated Notes has an interest material to the offer.

### **Representations about the Rated Notes**

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, Santander Consumer Bank (in any capacity), the Sole Arranger, the Representative of the Noteholders or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Rated Notes shall in any circumstances constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or Santander Consumer Bank or in the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date hereof.

### **Limited recourse**

The Rated Notes constitute direct, secured, limited recourse obligations of the Issuer. In particular, the Rated Notes will not be obligations or responsibilities of, or guaranteed by, Santander Consumer Bank (in any capacity), the Borrowers, the Representative of the Noteholders, the Computation Agent, the Account Bank, the Custodian Bank, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Quotaholders, the Hedging Counterparty, the Subscriber or the Sole Arranger. 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 Rated Notes.

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 Aggregate Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other claims purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any amount deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Noteholders will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable Priority of Payments.

### **Selling Restrictions**

The distribution of this Prospectus and the offer, sale and delivery of the Rated 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, Santander Consumer Bank and the Subscriber to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer (and this Prospectus may not be used for the purpose of an offer to sell any of the Rated Notes) nor a solicitation of an offer to buy any of the Rated Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The Rated Notes have not been and will not be registered under the Securities Act or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Rated 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), except pursuant to an exemption from, or in a transaction not subject to, the securities registration requirements of the Securities Act.

*The Rated Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other prospectus or any form of application, advertisement, other offering material or other information relating to the Issuer or the Rated Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations.*

*The Rated Notes are complex instruments which involve a high degree of risk and are suitable for purchase only by sophisticated investors which are capable of understanding the risk involved. In particular the Rated Notes should not be purchased by or sold to individuals and other non-expert investors.*

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

*For a further description of certain restrictions on offers and sales of the Rated Notes and the distribution of this Prospectus, see the section entitled "Subscription and Sale".*

### **Interpretation**

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

*Certain monetary amounts and currency translations 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 "Euro", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended.*

*Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section entitled "Glossary of Terms" set out herein. These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as amended from time to time.*

### **Forward-Looking Statements**

*This Prospectus contains statements that constitute forward-looking statements. Words such as "believes", "anticipates", "expects", "estimates", "intends", "plans", "will", "may", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements include those regarding the intent, belief or current expectation of the Originator and its officers with respect to, among other things: (a) the financial condition of the Originator and the characteristics of its strategy, products or services; (b) the Originator's plans, objectives or goals, including those related to products or services; (c) statements of future economic performance and (d) assumptions underlying those statements.*

*Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various factors. Accordingly, prospective purchasers of Rated Notes should not rely on such forward-looking statements. The information in this Prospectus, including the information set out in the section entitled "Risk Factors", "The Aggregate Portfolio" and "The Originator" identifies important factors that could cause such differences including, inter alia, a change in the overall economic conditions in Italy, change in the Originator's financial condition and the effect of new legislation or government regulations (or new interpretation of existing legislation or government regulations) in Italy. Such forward-looking statements speak only as at the date of this Prospectus. Accordingly, no party to the Transaction Documents undertakes any obligation to update or revise any of them whether as a result of new information, future*

*events or otherwise. No party to the Transaction Documents makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely standard scenario. Moreover, no assurance can be given that any of the historical information, trends or practices mentioned and described in the Prospectus are indicative of future results or events.*

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## TRANSACTION OVERVIEW

*The following information is a summary of certain aspects of the transaction, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. Prospective investors should base their decisions on this Prospectus as a whole.*

**Capitalised words and expressions in this Transaction Summary shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the section entitled "Glossary of Terms" below.**

### 1. PRINCIPAL PARTIES

<b>Issuer</b>	Golden Bar.  The Issuer has an issued quota capital of € 10,000, which is entirely held by the Quotaholders.
<b>Originator</b>	Santander Consumer Bank.
<b>Servicer</b>	Santander Consumer Bank. The Servicer will act as such pursuant to the Servicing Agreement. The Servicer will be the " <i>soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento</i> " pursuant to article 2, paragraph 3(c) of the Securitisation Law.
<b>Subordinated Loan Provider</b>	Santander Consumer Bank. The Subordinated Loan Provider will act as such pursuant to the Subordinated Loan Agreement.
<b>Account Bank</b>	BNP Paribas Securities Services, London Branch. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Custodian Bank</b>	BNP Paribas Securities Services, Milan Branch. The Custodian Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Paying Agent</b>	BNP Paribas Securities Services, Milan Branch. The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Computation Agent</b>	BNP Paribas Securities Services, Milan Branch. The Computation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Representative of the Noteholders</b>	BNP Paribas Securities Services, Milan Branch. The Representative of the Noteholders will act as such pursuant to the Underwriting Agreement, the Intercreditor Agreement and the other Transaction Documents.
<b>Hedging Counterparty</b>	Abbey National Treasury Services. The Hedging Counterparty will act as such pursuant to the Hedging Agreement.
<b>Corporate Services Provider</b>	Bourlot Gilardi Romagnoli e Associati. The Corporate Services Provider will act as such pursuant to the Corporate Services Agreement.



<b>Quotaholders</b>	Stichting Turin and Stichting Po River.
<b>Stichtingen Corporate Services Provider</b>	Wilmington Trust. The Stichtingen Corporate Services Provider will act as such pursuant to the Stichtingen Corporate Services Agreement.
<b>Listing Agent</b>	BNP Paribas Securities Services, Luxembourg Branch.
<b>Sole Arranger</b>	Banco Santander.
<b>Subscriber</b>	Santander Consumer Bank.

### 3. PRINCIPAL FEATURES OF THE NOTES

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following classes:
<b>The Rated Notes</b>	<p>€ 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030; and</p> <p>€ 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030.</p>
<b>The Junior Notes</b>	€ 75,100,000 Class C-2014-1 Asset Backed Notes due December 2030.
<b>Issue Price</b>	The Notes will be issued at 100 per cent. of their principal amount.
<b>Interest on the Notes</b>	<p>The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to EURIBOR (as determined in accordance with Condition 7 (<i>Interest</i>) for three month deposits (except in respect of the Initial Interest Period where a linear interpolated interest rate based on three month and six month deposits in Euro will be substituted for the EURIBOR for three month deposits), plus a margin of 1.1 per cent. per annum.</p> <p>The Class B Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 1.30 per cent. per annum.</p> <p>The Junior Notes will bear interest and be remunerated in accordance with Condition 7 (<i>Interest</i>).</p> <p>Interest in respect of the 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 immediately prior thereto, in accordance with the applicable Priority of Payments. The Payment Dates will be 20 March, 20 June, 20 September and 20 December of each year (or, if such day is not a Business Day, the immediately following Business Day). The First Payment Date will be 22 September 2014.</p>
<b>Form and Denominations</b>	The Notes will be issued in bearer form and 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 expression 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 Clearstream and Euroclear. 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 entry in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidated Act; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

The Notes will be issued in the denomination of € 100,000 and integral multiples of € 1,000 in excess thereof.

### **Status and Subordination**

In respect of the obligation of the Issuer to pay interest on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

In respect of the obligation of the Issuer to repay principal on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C Notes;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes after the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes,

and the Class C Notes;

- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

### **Withholding on the Notes**

As at the date of this Prospectus, payments of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payment 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 on account of such withholding or deduction. For further details, see the section entitled "*Taxation*".

### **Mandatory Redemption**

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the Payment Date falling in June 2016 and on each Payment Date thereafter, in accordance with Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), if and to the extent that on each such Payment Dates there will be sufficient Principal Available Funds which may be applied towards redemption of the Notes pursuant to the applicable Priority of Payments.

### **Optional Redemption**

Unless previously redeemed in full, the Issuer, having given not less than 25 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the Junior Noteholders' consent, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon, in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), starting from the earlier of the following Payment Dates (and on each Payment Date thereafter): (a) the Payment Date on which the Portfolio Outstanding Amount is equal to, or less than, 10% of the Initial Portfolio Outstanding Amount and (b) the Payment Date on which the Principal Amount Outstanding of the Notes is equal to, or less than, 10% of such Principal Amount Outstanding as of the Issue Date.

Such early redemption of the Notes will be made in accordance with the Post-Trigger Priority of Payments and subject to the Issuer having produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of all the Notes (or all of the Rated Notes and all or, subject to the Junior Noteholders' consent, none or part of

the Junior Notes) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

In order to fund the early redemption of the Notes in accordance with Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), the Issuer may sell the Aggregate Portfolio to the Originator pursuant to the Call Option provided for by the Master Transfer Agreement. For further details, see the section entitled "*Description of the Master Transfer Agreement*".

#### **Redemption for Taxation or Unlawfulness**

Prior to the service of a Trigger Notice, the Issuer, having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the Junior Noteholders' consent, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon, in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation or Unlawfulness*), on any Payment Date falling after the date on which the Issuer has produced evidence acceptable to the Representative of the Noteholders that:

- (a) the assets of the Issuer in respect of the Securitisation (including the Claims, the Collections and the other material Issuer's Rights) become subject to taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political subdivision thereof or by any authority thereof or therein or by any applicable taxing authority having jurisdiction; or
- (b) either the Issuer or any paying agent appointed in respect of the Rated Notes or any custodian of the Rated Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Deduction) in respect of such Rated Notes, from any payment of principal or interest on or after such Payment Date for or on account of any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction and *provided that* such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Rated Notes before the Payment Date following a change in law or the interpretation or administration thereof; or
- (c) any amounts of interest payable to the Issuer in

respect of the Loans are required to be deducted or withheld from the Issuer for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or by any political subdivision thereof or by any authority thereof or therein or by any other applicable taxing authority having jurisdiction; or

- (d) 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.

Such early redemption of the Notes will be made in accordance with the Post-Trigger Priority of Payments and subject to the Issuer having produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of all of the Notes (or all of the Rated Notes and all or, subject to the Junior Noteholders' consent, none or part of the Junior Notes) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

In order to fund the early redemption of the Notes in accordance with Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*), the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, sell the Portfolio or any part thereof, subject to the terms and conditions of the Intercreditor Agreement. Moreover, pursuant to such agreement, in any such case, Santander Consumer Bank shall have a pre-emption right for the purchase of the Aggregate Portfolio (or the relevant part thereof to be sold). For further details, see the section entitled "*Description of the Intercreditor Agreement*".

**Final Maturity Date**

Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid in full at their respective Principal Amount Outstanding (together with all accrued but unpaid interest thereon) on the Final Maturity Date, being the Payment Date falling in December 2030.

**Cancellation Date**

The Notes shall be cancelled on the Cancellation Date, being the earlier of:

- (i) the date on which the Notes have been redeemed in full;
- (ii) the Final Maturity Date; and
- (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available

Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer.

On the Cancellation Date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled. Upon cancellation, the Notes may not be resold or re-issued.

### **Source of Payment of the Notes**

The principal source of payment of interest and of repayment of principal on the Notes will be Collections and Recoveries received in respect of the Claims arising from the Loans granted by Santander Consumer Bank to certain Borrowers and purchased and to be purchased by the Issuer from Santander Consumer Bank pursuant to the terms of the Master Transfer Agreement. The Loans are personal loans granted for the purpose of funding the purchase of Vehicles.

The Initial Portfolio was assigned and transferred by Santander Consumer Bank to the Issuer pursuant to the terms of the Master Transfer Agreement on the Initial Execution Date and the relevant Purchase Price will be funded through the proceeds of the Notes.

During the Revolving Period, subject to the terms and conditions of the Master Transfer Agreement, the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios of Claims, the Purchase Price of which will be funded through the Principal Available Funds used in accordance with the applicable Priority of Payments. For further details on the Claims, the Aggregate Portfolio and the Borrowers, see the section entitled "*The Aggregate Portfolio*".

### **Segregation of the Aggregate Portfolio**

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 Aggregate Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other claims purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any amount deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Aggregate 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 of the Notes. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the

service of a Trigger Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise the Issuer's Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Aggregate Portfolio and the Issuer's Rights. Italian law governs the delegation of such power.

In addition, security over certain monetary rights of the Issuer arising out of certain Transaction Documents and Accounts has been granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Italian Deed of Pledge and the English Deed of Charge and Assignment for the benefit of the Noteholders and the Other Issuer Creditors. For further details, see the section entitled "*The Security Documents*".

### **Limited recourse**

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 applicable 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 applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (iii) upon the Representative of the Noteholders giving notice in accordance with Condition 17 (*Notices*) that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, 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.

## Non Petition

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security; no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided in the Rules of the Organisation of the Noteholders. In particular no Noteholder:

- (i) shall be entitled, save as expressly permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (ii) 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 to it;
- (iii) shall be entitled, until the date falling one year and one day after the date on which the Notes and any other notes issued in the context of any Previous Transaction and Further Securitisation by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (iv) 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.

## Listing and admission to trading

Application has been made to list on the Official List of the Irish Stock Exchange and to admit to trading on its regulated market the Rated Notes.

No application has been made to list on any stock exchange or to admit to trading on any regulated market the Junior Notes.

## Rating

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

	<b>DBRS</b>	<b>Moody's</b>
Class A	"A(high)(sf)"	"A2(sf)"
Class B	"A(low)(sf)"	"Baa2(sf)"

As of the date hereof, each of the Rating Agencies is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (the "**CRA Regulation**"), although notification of the



corresponding registration decision has not yet been provided by the relevant competent authority.

The Junior Notes are not expected to be assigned any credit rating.

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

**Purchase of the Notes**

The Issuer may not purchase any Notes at any time.

**Governing Law**

The Notes will be governed by Italian law.

**ACCOUNTS**

**Accounts with the Account Bank**

The Issuer has established with the Account Bank the following Accounts:

- (i) the Collection Account;
- (ii) the Cash Reserve Account; and
- (iii) the Expenses Account.

**Other Accounts**

The Issuer has established also the following other Accounts:

- (i) the Payments Account and the Collateral Account with the Paying Agent;
- (ii) the Securities Account with the Custodian Bank; and
- (iii) the Quota Capital Account, with Santander Consumer Bank.

**Collection Account**

The Collection Account will be the Account for the deposit of all the Collections and Recoveries received and recovered by the Servicer in accordance with the Servicing Agreement, as well as any other amounts received by the Issuer from any party to a Transaction Document, but excluding the amounts paid by the Hedging Counterparty under the Hedging Agreement, and any funds paid pursuant to the CSA (save where the Issuer is entitled to use such funds, in whole or in part, following a termination of the Hedging Agreement) and the amounts advanced by the Subordinated Loan Provider under the Subordinated Loan Agreement.

**Cash Reserve Account**

The Cash Reserve Account will be the Account into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement. The amounts of the Cash Reserve will be available to the Issuer on each Payment Date as part of the Interest Available

Funds to meet its payment obligations under the Pre-Trigger Interest Priority of Payments in respect of the interests due in respect of the Rated Notes and the reduction to zero of the Principal Deficiency Ledgers of such Rated Notes (as well as in respect of any amount required to be paid under the Pre-Trigger Interest Priority of Payments in priority thereto or *pari passu* therewith), in each case, to the extent that the other Interest Available Funds would otherwise prove to be insufficient for such purpose. The Cash Reserve Account will be funded up to the Target Cash Reserve Amount on the Issue Date out of the Subordinated Loan advanced by the Subordinated Loan Provider. In the event that on any Payment Date prior to the service of a Trigger Notice the balance of the Cash Reserve Account is lower than the Target Cash Reserve Amount, then the Issuer will credit available amounts of the Interest Available Funds, in accordance with the Pre-Trigger Interest Priority of Payments, into the Cash Reserve Account to bring the balance of such Account up to (but not exceeding) the Target Cash Reserve Amount.

For further details, see the section entitled "*The Accounts*".

#### **Expenses Account**

The Expenses Account will be the Account for the deposit of the Retention Amount aimed at funding during each Interest Period all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, in accordance with the Cash Allocation, Management and Payment Agreement. The Expenses Account will be funded, on the Issue Date out of the Subordinated Loan. In the event that on any Payment Date the balance of the Expenses Account is lower than the Retention Amount, then the Issuer will credit available amounts of the Issuer Available Funds, in accordance with the applicable Priority of Payments, into the Expenses Account to bring the balance of such Account up to (but not exceeding) the Retention Amount.

For further details, see the section entitled "*The Accounts*".

#### **Payments Account**

The Payments Account will be the Account into which, (i) on each Payment Date, the amounts due and payable by the Hedging Counterparty under the Hedging Agreement shall be credited and (iii) two Business Days prior to each Payment Date the amounts standing to the credit of, *inter alios*, the Collection Account and the Cash Reserve Account shall be transferred so as to be applied to make the payments due by the Issuer on such Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Collateral Account**

The Collateral Account will be the account which will be used for the deposit of any collateral to be paid by the Hedging Counterparty pursuant to the CSA and the

Hedging Agreement.

For further details, see the section entitled "*The Accounts*".

#### **Securities Account**

Amounts standing to the credit of the Investment Accounts may be invested during each Collection Period on behalf of the Issuer in Eligible Investments in accordance with the Cash Allocation, Management and Payment Agreement. The Securities Account will be the Account for the deposit of all the Eligible Investments purchased on behalf of the Issuer representing bonds, debentures or other kinds of notes or financial instruments.

For further details, see the section entitled "*The Accounts*".

#### **Quota Capital Account**

The quota capital of the Issuer, equal to € 10,000, is deposited into the Quota Capital Account held with Santander Consumer Bank.

### **5. CREDIT STRUCTURE**

#### **Interest Available Funds**

The Interest Available Funds shall comprise, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (i) the Interest Components received by the Issuer in respect of the Loans in the Claims comprised in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;
- (ii) without duplication with (i) above, an amount equal to the Interest Components invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (iii) the Cash Reserve, in the following amounts:
  - (a) prior to the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment applies, the sums of such Cash Reserve in an amount equal to the funds which are necessary in order to pay the interests due in respect of the Rated Notes and reduce to zero the Principal Deficiency Ledger of such Rated Notes on the next Payment Date (as well as any amount required to be paid under the Pre-Trigger Interest Priority of Payments in priority thereto or *pari passu* therewith), to the extent that the other Interest Available Funds prove to be insufficient for such purpose; and
  - (b) starting from the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment

applies, all the sums of such Cash Reserve;

- (iv) without duplication with (iii) above, an amount equal to the sums invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date;
- (v) without duplication with (iii) above, all amounts of interest accrued and paid on the Collection Account and the Cash Reserve Account during the Collection Period immediately preceding such Calculation Date;
- (vi) without duplication with (v) above, payments made to the Issuer by any other party to the Transaction Documents during the Collection Period immediately preceding such Calculation Date, excluding those amounts constituting Principal Available Funds;
- (vii) the Revenue Eligible Investments Amount realised on the preceding Liquidation Date, if any;
- (viii) any Recoveries (including any purchase price received in relation to the sale of any Defaulted Claims) received by the Issuer in respect of any Defaulted Claim during the Collection Period immediately preceding such Calculation Date;
- (ix) any amount due and payable, although not yet paid, to the Issuer by the Hedging Counterparty under the Hedging Agreement on the Payment Date immediately following the relevant Calculation Date;
- (x) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Funds; and
- (xi) any Principal Available Funds which have been allocated in or towards provision of the Interest Available Funds in accordance with the Pre-Trigger Principal Priority of Payments,

but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction, the amount deposited in the

Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

### **Principal Available Funds**

The Principal Available Funds shall comprise, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (i) the Principal Components received by the Issuer in respect of the Loans (other than Defaulted Claims) in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;
- (ii) without duplication with paragraph (i) above, an amount equal to the Principal Components (other than those relating to Defaulted Claims) invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (iii) the Principal Deficiency Ledger Amount calculated in respect of such Calculation Date;
- (iv) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items (i) and (iii) of the Pre-Trigger Principal Priority of Payments, if any;
- (v) payments made to the Issuer by the Originator pursuant to the Warranty and Indemnity Agreement and/or the Master Transfer Agreement during the Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties;
- (vi) any purchase price received by the Issuer in relation to the sale of any Claims (other than Defaulted Claims) made in accordance with the Master Transfer Agreement and the Warranty and Indemnity Agreement during the Collection Period immediately preceding such Calculation Date;
- (vii) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such dates; and
- (viii) any Interest Available Funds which have been allocated in or towards provision of the Principal Available Funds in accordance with the Pre-Trigger Interest Priority of Payments.

## Post-Trigger Available Funds

The Post-Trigger Available Funds shall comprise, in respect of any Calculation Date after the service of a Trigger Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and the Issuer's Rights under the Transaction Documents, but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction, the amount deposited in the Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

## Trigger Events

The Terms and Conditions provide the following Trigger Events:

- (i) *Non-payment*: the Issuer defaults in the payment of any amount of interest due and/or principal due and payable in respect of 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*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in paragraph (i) above) which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (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 have to be given); or
- (iii) *Breach of Representations and Warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at

any time thereafter, unless it has been remedied within fifteen days after the Representative of the Noteholders has served notice requiring remedy (except where, in the sole opinion of the Representative of the Noteholders, the breach of the relevant representation is not capable of remedy in which case no notice requiring remedy will have to be given); or

- (iv) *Insolvency of the Issuer*: an Insolvency Event occurs in respect of the Issuer; or
- (v) *Unlawfulness*: it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

Upon the occurrence of a Trigger Event, the Representative of the Noteholders may at its sole discretion or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Post-Trigger Available Funds shall be applied in accordance with Condition 6.3 (*Priority of Payments - Post-Trigger Priority of Payments*).

### **Principal Deficiency Ledgers**

The Computation Agent has established three Principal Deficiency Ledgers, one in respect of each Class of Notes. Namely: (i) the Class A Notes Principal Deficiency Ledger; (ii) the Class B Notes Principal Deficiency Ledger and (iii) the Junior Notes Principal Deficiency Ledger. The Principal Deficiency Ledgers have been established pursuant to the Cash Allocation, Management and Payment Agreement and will be used by the Computation Agent to record, as a debit entry, any Realised Loss in respect of the Claims comprised in the Aggregate Portfolio.

On each Calculation Date, the Computation Agent will record the Realised Losses arisen in connection with the immediately preceding Collection Period in the Principal Deficiency Ledgers by debiting any Realised Loss as follows:

- (i) *first*, to the Junior Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Junior Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Junior Notes (taking into account any Realised Loss previously debited to such Junior Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments);
- (ii) *second*, to the Class B Notes Principal Deficiency

Ledger so long as, and to the extent that, the debit balance of the Class B Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class B Notes (taking into account any Realised Loss previously debited to such Class B Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments); and

- (iii) *third*, to the Class A Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class A Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class A Notes (taking into account any Realised Loss previously debited to such Class A Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments).

### **Pre-Trigger Interest Priority of Payments**

Prior to the service of a Trigger Notice, the Interest Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
  - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer's business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by Santander Consumer Bank under the Transaction Documents);
  - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection



with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);

- (C) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders or any appointee thereof; and
  - (D) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of any and all other amounts due and payable to the Paying Agent, the Computation Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Account Bank, the Custodian Bank, the Servicer and any further Other Issuer Creditors, each under the Transaction Document(s) to which each of them is a party (save as otherwise provided under other items of this priority of payments);
  - (iv) *fourth*, in or towards satisfaction of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Servicer pursuant to the terms of the Servicing Agreement, other than the amounts due to the Servicer in respect of (i) the Servicer's Advance (if any) under the terms of the Servicing Agreement and (ii) the insurance premiums, if any, advanced by Santander Consumer Bank in its capacity as Servicer under the terms of the Servicing Agreement;
  - (v) *fifth*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, *provided that* upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);
  - (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;
  - (vii) *seventh*, in or towards reduction of the Class A Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;

- (viii) *eighth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class B Notes;
- (ix) *ninth*, in or towards reduction of the Class B Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;
- (x) *tenth*, following the occurrence of a Servicer Report Delivery Failure Event, but only if, on such Payment Date, the Servicer Report Delivery Failure Event is still outstanding, to credit to or retain in, as the case may be, all amounts to the Collection Account;
- (xi) *eleventh*, in or towards reduction of the Junior Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;
- (xii) *twelfth*, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;
- (xiii) *thirteenth*, in or towards provision of the Principal Available Funds in an amount equal to the portion of the Principal Available Funds used under item (ii) of the Pre-Trigger Principal Priority of Payments on the immediately preceding Payment Date or on any previous Payment Date, to the extent that such amount has not already been fully provided for on the preceding Payment Dates;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement;
- (xv) *fifteenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item (v) above;
- (xvi) *sixteenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xvii) *seventeenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xviii) *eighteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to Santander Consumer Bank in respect of the Originator's Claims (if any) under the terms of the Master Transfer Agreement and the Warranty and Indemnity Agreement;
- (xix) *nineteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to the Servicer in respect of:
  - (A) the Servicer's Advance (if any) under the

terms of the Servicing Agreement; and

- (B) the insurance premiums, if any, advanced by Santander Consumer Bank in its capacity as Servicer under the terms of the Servicing Agreement;
- (xx) *twentieth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Trigger Interest Priority of Payments); and
- (xxi) *twenty-first*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Interest Amount due and payable on the Junior Notes.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payment Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

### **Pre-Trigger Principal Priority of Payments**

Prior to the service of a Trigger Notice, the Principal Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Payment Date immediately following such Calculation Date in making payment or provision in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, if a Servicer Report Delivery Failure Event has occurred and is still outstanding, to credit all the Principal Available Funds to, or retain in, the Collection Account;
- (ii) *second*, in or towards provision of the Interest Available Funds, to pay all the amounts due under items *first* to (ix) (included) of the Pre-Trigger Interest Priority of Payments, to the extent not paid under such priority of payments due to insufficiency of Interest Available Funds;
- (iii) *third*, during the Revolving Period, in or towards payment to the Originator of the amount due as Purchase Price Amount in respect of the Subsequent Portfolios purchased under the Master Transfer

Agreement and, thereafter, to credit to and/or retain in the remainder of the Principal Available Funds the Collection Account;

- (iv) *fourth*, during the Amortising Period, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (v) *fifth*, during the Amortising Period, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (vi) *sixth*, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement, to the extent not paid under item (xiv) of the Pre-Trigger Interest Priority of Payments;
- (vii) *seventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement, to the extent not paid under item (xvii) of the Pre-Trigger Interest Priority of Payments;
- (viii) *eighth*, during the Amortising Period, upon repayment in full of the Class A Notes and the Class B Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of such Junior Notes is equal to € 30,000;
- (ix) *ninth*, on the Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until such Junior Notes are repaid in full; and
- (x) *tenth*, up to, but excluding, the Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu* of the Junior Notes Additional Remuneration (if any) due and payable on the Junior Notes.

### **Post-Trigger Priority of Payments**

Following the service of a Trigger Notice, or, in the event that the Issuer opts for the early redemption of the Notes issued under the Securitisation under Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation or Unlawfulness*), the Post-Trigger Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari*

*passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by Santander Consumer Bank under the Transaction Documents);

- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
  - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer's business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
  - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
  - (C) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders or any appointee thereof; and
  - (D) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of any and all other amounts due and payable to the Paying Agent, the Computation Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Account Bank, the Custodian Bank, the Servicer and any further Other Issuer Creditors, each under the Transaction Document(s) to which each of them is a party (save as otherwise provided under other items of this

- priority of payments);
- (iv) *fourth*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, *provided that* upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);
  - (v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
  - (vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
  - (vii) *seventh*, upon repayment in full of the Class A Notes, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class B Notes at such date;
  - (viii) *eighth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
  - (ix) *ninth*, upon repayment in full of the Class B Notes, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement;
  - (x) *tenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item (iv) above;
  - (xi) *eleventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to Santander Consumer Bank in respect of the Originator's Claims (if any) under the terms of the Master Transfer Agreement and the Warranty and Indemnity Agreement;
  - (xii) *twelfth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to the Servicer in respect of:
    - (A) the Servicer's Advance (if any) under the terms of the Servicing Agreement; and
    - (B) the insurance premiums, if any, advanced by Santander Consumer Bank in its

capacity as Servicer under the terms of the Servicing Agreement;

- (xiii) *thirteenth*, in or towards satisfaction of all amounts of: interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xv) *fifteenth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of such Junior Notes is equal to € 30,000;
- (xvi) *sixteenth*, on the Cancellation Date, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and
- (xvii) *seventeenth*, up to, but excluding, Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Interest Amount (if any) due and payable on the Junior Notes,

*provided that*, if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of the Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement and the Cash Allocation, Management and Payment Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date.

## 6. TRANSFER AND ADMINISTRATION OF THE AGGREGATE PORTFOLIO

### Transfer of the Aggregate Portfolio

Under the Master Transfer Agreement, the Originator and the Issuer have agreed the terms and conditions for the assignment and transfer from the Originator to the Issuer of the Portfolios of the Claims arising out of the Loan Agreements owed to the Originator by the Borrowers thereunder.

Under the Master Transfer Agreement the Originator (i) has assigned and transferred to the Issuer, and the Issuer has purchased from the Originator, the Initial Portfolio on the Initial Execution Date and (ii) may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios on a quarterly basis during the Revolving Period, subject to the terms and conditions thereunder.

The Initial Portfolio has been and each Subsequent

Portfolio will be assigned and transferred without recourse (*pro soluto*) and pursuant to articles 1 and 4 of the Securitisation Law.

The Claims comprised in the Initial Portfolio have been identified on the basis of the Initial Criteria and the Claims which will be comprised in each Subsequent Portfolio shall be identified on the basis of the Subsequent Criteria.

As consideration for the purchase of the Claims comprised in each Portfolio, the Issuer shall pay to the Originator the Purchase Price, being equal to the aggregate sum of the Individual Purchase Prices of all the Claims comprised in the relevant Portfolio. The Individual Purchase Price of the Claims relating to each Loan is equal to the relevant Outstanding Principal, calculated as of the relevant Valuation Date.

The Purchase Price of the Initial Portfolio is equal to € 752,046,350.66, (such amount having been rounded down to € 10,000) and, subject to the terms and conditions of the Master Transfer Agreement, will be paid by the Issuer to the Originator on the Issue Date out of the proceeds of the Notes.

Subject to the terms and conditions of the Master Transfer Agreement, the Purchase Price of each Subsequent Portfolio will be paid by the Issuer to the Originator out of the Issuer Available Funds in accordance with the applicable Priority of Payments on the relevant Subsequent Transfer Date.

For further details, see the section entitled "*Description of the Master Transfer Agreement*".

## **Purchase Termination Events**

The Master Transfer Agreement provides the following Purchase Termination Events:

- (i) *Breach of obligations by the Originator*: the Originator defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is party which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no term of thirty days will be given); or
- (ii) *Breach of representations and warranties by the Originator*: any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or



proves to have been incorrect or misleading when made, or deemed to be made, in any respect which is deemed material in the Representative of the Noteholders' opinion when made or repeated, and such breach has remained unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders; or

- (iii) *Breach of ratios:*
  - (a) the Default Ratio for the immediately preceding Collection Period is higher than 1%; or
  - (b) the Arrear Ratio for the immediately preceding Collection Period is higher than 4%; or
  - (c) the Collateral Ratio is lower than 97% for the three immediately preceding Collection Periods; or
- (iv) *Principal Deficiency Amount:* on any Payment Date a debit balance remains outstanding on one or more Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Trigger Interest Priority of Payments; or
- (v) *Cash Reserve:* on any Payment Date, following the making of the payments and/or provisions required to be made by the Issuer on such date, the amount standing to the credit of the Cash Reserve Account is lower than the Target Cash Reserve Amount; or
- (vi) *Collections:* the Collections relating to the Claims are not transferred irrevocably and in cleared funds, pursuant to the terms and conditions of the Servicing Agreement, by the Servicer into the Collection Account; or
- (vii) *Servicer Report:* other than as a result of force majeure, notwithstanding the occurrence of which the Servicer has used its reasonable endeavours to deliver the Servicer Report in the circumstances, the Servicer fails to deliver a Servicer Report on the due date therefor in accordance with the Servicing Agreement and such failure continues for a period of seven Business Days; or
- (viii) *Subsequent Portfolios:* the Originator fails, during the Revolving Period, to offer for sale to the Issuer Subsequent Portfolios for three consecutive Offer Dates; or

- (ix) *Insolvency of the Originator*: an Insolvency Event occurs in respect of the Originator.

Upon occurrence of a Purchase Termination Event during the Revolving Period, the Representative of the Noteholders shall serve a Purchase Termination Notice to the Issuer and the Originator. Upon the service of a Purchase Termination Notice, the Issuer may no longer purchase any Subsequent Portfolios and the Amortising Period will start.

#### **Warranty and Indemnity Agreement**

Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself, the Claims, the Loan Agreements and the Borrowers 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 Aggregate Portfolio.

For further details, see the section entitled "*Description of the Warranty and Indemnity Agreement*".

#### **Servicing Agreement**

Pursuant to the Servicing Agreement, the Servicer has agreed to administer and service on behalf of the Issuer the Aggregate Portfolio and, in particular, to (i) collect and recover amounts due in respect of the Claims; (ii) administer relationships with the Borrowers; and (iii) carry out certain activities in relation to the Claims in accordance with the Servicing Agreement and the Collection Policies.

Pursuant to the Servicing Agreement, the Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" in accordance with the Securitisation Law. In such capacity, the Servicer shall also be responsible for verifying that the operations comply with the law and this Prospectus pursuant to article 2, paragraph 3(c) and article 2, paragraph 6 of the Securitisation Law.

For further details, see the section entitled "*Description of the Servicing Agreement*".

### **7. OTHER TRANSACTION DOCUMENTS**

#### **Intercreditor Agreement**

Pursuant to the Intercreditor Agreement, the Issuer and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Issuer Available Funds, in accordance with the Priority of Payments; (ii) the limited recourse nature of the obligations of the Issuer; and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio.

For further details, see the section entitled "*Description of the Intercreditor Agreement*".

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

Pursuant to the Cash Allocation, Management and

Payment Agreement, the Servicer, the Computation Agent, the Account Bank, the Custodian Bank and the Paying Agent have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services, together with account handling and investment services in relation to monies and securities from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for the payment of principal and interest in respect of the Notes.

For further details, see the section entitled "*Description of the Cash Allocation, Management and Payment Agreement*".

#### **Mandate Agreement**

Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served or following failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

For further details, see the section entitled "*Description of the Mandate Agreement*".

#### **Hedging Agreement**

In order to hedge its interest rate exposure in relation to the Class A Notes, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty in the form of an ISDA 1992 Master Agreement (Multicurrency – Cross Border) (together with the schedule thereto, the relevant confirmation and the CSA).

For further details see the section entitled "*Description of the Hedging Agreement*".

#### **Shareholders Agreement**

Pursuant to the Shareholders Agreement, the Quotaholders have given certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholders of the Issuer.

For further details, see the section entitled "*Description of the Shareholders Agreement*".

#### **Corporate Services Agreement**

Pursuant to the Corporate Services Agreement, the Corporate Services Provider has agreed to provide the Issuer with certain corporate administrative services including the maintenance of corporate books and of accounting and tax registers, in compliance with reporting requirements relating to the Claims and with other regulatory requirements imposed on the Issuer.

For further details, see the section entitled "*Description of the Corporate Services Agreement*".

#### **Stichtingen Corporate Services Agreement**

Pursuant to the Stichtingen Corporate Services Agreement, the Stichtingen Corporate Services Provider has agreed to provide the Quotaholders with a number of services

including, *inter alia*, the provision of accounting and financial services and the management and administration of the Quotaholders.

For further details, see the section entitled "*Description of the Stichtingen Corporate Services Agreement*".

### **Subordinated Loan Agreement**

Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer the Subordinated Loan in an amount of € 18,830,000. The Subordinated Loan will be advanced on the Issue Date and will be used by the Issuer to fund on such date the Cash Reserve and the Retention Amount.

The Issuer shall repay the outstanding principal amount under the Subordinated Loan, subject to the terms and conditions of the Subordinated Loan Agreement. Such repayment will be made on each Payment Date out and within the limits of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

For further details, see the section entitled "*Description of the Subordinated Loan Agreement*".

### **Italian Deed of Pledge**

Pursuant to the Italian Deed of Pledge, the Issuer has, *inter alia*:

- (i) created an Italian law pledge over (A) the Collateral Account and the Payments Account and (B) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to time pursuant to the Italian Law Transaction Documents (other than the Mandate Agreement, the Terms and Conditions and the Italian Deed of Pledge); and
- (ii) undertaken to create an Italian law pledge over any Eligible Investment purchased and deposited into the Securities Account in accordance with the Cash Allocation, Management and Payment Agreement,

in each case, in favour of the Representative of the Noteholders, for itself and on behalf of the Noteholders and the Other Issuer Creditors.

For further details, see the section entitled "*Description of the Security Documents*".

### **English Deed of Charge and Assignment**

Pursuant to the English Deed of Charge and Assignment, the Issuer has granted, *inter alia*:

- (i) an English law charge over the Collection Account and the Cash Reserve Account, all its present and future right, title and interest in or to such Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on such Accounts;

- (ii) an English law assignment by way of security of all the Issuer's rights under the Hedging Agreement and all other present and future contracts, agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Aggregate Portfolio; and
- (iii) a floating charge over all of the Issuer's assets which are subject to the charge described under paragraphs (i) and (ii) above and not effectively assigned or charged by way of first fixed charge or assignment thereunder,

in each case, in favour of the Representative of the Noteholders for itself and as security trustee for the Noteholders and the Other Issuer Creditors.

For further details, see the section entitled "*Description of the Security Documents*".

## **RISK FACTORS**

*The following is a summary of certain aspects of the issue of the Rated Notes of which prospective noteholders should be aware. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making an investment decision.*

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

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

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

### **RISK FACTORS RELATED TO THE ISSUER**

#### **The Securitisation Law**

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

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

The ability of the Issuer to meet its obligations in respect of the Rated Notes will be dependent on the receipt by the Issuer of (i) Collections and Recoveries made on its behalf by the Servicer in respect of the Aggregate Portfolio (ii) any payments required to be made by the Hedging Counterparty under the Hedging Agreement, (iii) the support provided by the Cash Reserve and (iv) any other amounts required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the relevant Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. Consequently, there is no assurance that, over the life of the Rated Notes or at the redemption date of the Rated Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Rated Notes or to repay the Rated Notes in full.

#### **Liquidity and Credit Risk**

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Borrowers and each Scheduled Instalment Date. This risk is mitigated in respect of the Rated Notes through the establishment of the Cash Reserve.

Furthermore, the Issuer is subject to the risk of failure by the Servicer to collect or to recover sufficient funds in respect of the Aggregate Portfolio in order to enable the Issuer to discharge all amounts payable under the Rated Notes when due.

The Issuer is also subject to the risk of default in payment by the Borrowers and the subsequent failure to realise or to recover sufficient funds in respect of the Aggregate Portfolio in order to discharge all amounts due from those Borrowers under the Loan Agreements. With respect to the Rated Notes, this risk is mitigated by the credit support provided by the Junior Notes and the establishment of the Cash Reserve.

However, in each case, there can be no assurance that the levels of Collections and Recoveries received from the Aggregate Portfolio will be adequate to ensure timely and full receipt of amounts due under the Rated Notes.

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

None of the Issuer, the Sole Arranger or the Subscriber nor any other party to the Transaction Documents (other than the Originator) have carried out any due diligence in respect of the Loan Agreements, nor have any of them undertaken or will undertake any investigation, search or other action to verify the details of the Claims assigned and transferred by the Originator to the Issuer, nor has any of such persons undertaken, nor will any of them undertake, any investigation, search or other action to establish the creditworthiness of any of the Borrowers. There can be no assurance that the assumptions used in modelling the cash flows of the Claims and the Aggregate Portfolio accurately reflect the status of the underlying Loan Agreements.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of the Claims relating to any Loan will be the requirement that the Originator repurchase such Claims and/or indemnifies the Issuer for the damage deriving therefrom, in both cases, subject to the terms and conditions of the Warranty and Indemnity Agreement. There can be no assurance, however, that the Originator will have the financial resources to honour such obligations. For further details, see the section entitled "*Description of the Warranty and Indemnity Agreement*".

### **Commingling Risk**

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections and the Recoveries held by the Servicer are lost or frozen. Such risk is mitigated through the provision of the Servicing Agreement pursuant to which all Collections and Recoveries received by the Servicer are to be transferred to the Collection Account within one Business Day from the day of receipt (for value such day of receipt) by the Servicer, *provided that*, in the case of exceptional circumstances causing an operational delay in the transfer, the relevant Collections and Recoveries will be transferred in any case into the Collection Account within three Business Days of receipt. For further details, see the section entitled "*Description of the Servicing Agreement*".

### **Credit Risk on the Originator and the other parties to the Transaction Documents**

The ability of the Issuer to make payments in respect of the Rated Notes will depend to a significant extent upon the due performance by the Originator and the other parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are a party. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Rated Notes will depend on the ability of the Servicer to service the Aggregate Portfolio and to recover the amounts relating to Defaulted Claims (if any), as well as the continued availability of hedging under the Hedging Agreement. Prospective Noteholders should note that the Hedging Agreement may be terminated by the Hedging Counterparty if, *inter alia*, a Trigger Notice is served. For further details, see the following paragraph entitled "*Interest Rate Risk*" of this section entitled "*Risk Factors*". In addition, the ability of the Issuer to make payments under the Rated Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement in respect of the Aggregate Portfolio. The performance by such parties of their respective obligations under the relevant Transaction Documents may be influenced on the solvency of each relevant party.

It is not certain that a suitable alternative servicer could be found to service the Aggregate Portfolio in the event that the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer is found it is not certain whether such alternative servicer would service the Aggregate Portfolio on the same terms as those provided for in the Servicing Agreement. Such

risk is mitigated by the provision of the Servicing Agreement pursuant to which, if the Servicer's Owner's long-term, unsecured and unsubordinated debt obligations ceases to be rated at least "Baa3" by Moody's, then within the following 10 Business Days, the Issuer shall appoint a Back-Up Servicer willing to replace the Servicer should the Servicing Agreement be terminated for any reason. The Back-up Servicer will, *inter alia*:

- (a) need to satisfy the requirements of a successor servicer provided for by the Servicing Agreement;
- (b) undertake to enter into a back-up servicing agreement substantially in the form of the Servicing Agreement; and
- (c) assume all the duties and obligations applicable to it as provided for by the Transaction Documents.

Moreover, under the Intercreditor Agreement, Banco Santander has undertaken to act as Back-up Servicer Facilitator with the task of selecting the Back-Up Servicer on behalf of the Issuer. For further details, see the section entitled "*Description of the Intercreditor Agreement*".

### **Interest Rate Risk**

The Claims comprised in the Aggregate Portfolio include and will include interest payments calculated at interest rates and times which are different from the interest rates and times applicable to the interest due in respect of the Rated Notes.

The Issuer expects to meet its floating rate payment obligations under the Class A Notes primarily from the payments relating to the Collections and the Recoveries. However, the interest component in respect of such payments may have no correlation to the EURIBOR rate from time to time applicable in respect of the Class A Notes.

To protect the Issuer from a situation where EURIBOR increases to such an extent that the Collections and the Recoveries are not sufficient to cover the Issuer's obligations under the Class A Notes, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty, which shall at all times be (or its credit support provider shall at all times be) an institution rated in compliance with the DBRS and Moody's' criteria, in accordance with the provisions of the Hedging Agreement.

In the event of early termination of the Hedging Agreement, including any termination upon failure by the Hedging Counterparty to perform its obligations, there is no assurance that the Issuer will be able to meet its payment obligations under the Class A Notes in full or even in part.

Prospective Noteholders should also note that, if the Hedging Agreement is terminated early, then the Issuer may be obliged to pay a termination payment to the Hedging Counterparty. Except in certain circumstances, any termination payment due to the Hedging Counterparty from the Issuer will rank in priority to payments due on the Rated Notes. Any additional amounts required to be paid by the Issuer as a result of the termination of the Hedging Agreement (including any extra costs incurred if the Issuer cannot immediately enter into one or more, as appropriate, replacement hedging agreements), may also rank in priority to payments due on the Rated Notes in the case of the payments due by the Issuer. Therefore, if the Issuer is obliged to make a termination payment to the Hedging Counterparty or to pay any other additional amount as a result of the termination of the Hedging Agreement, this may affect the funds which the Issuer has available to make payments on the Rated Notes. For further details, see the section "*Description of the Hedging Agreement*".

### **Claims of Unsecured Creditors of the Issuer**

By virtue of the operation of article 3 of the Securitisation Law and of the Transaction Documents, the Issuer's rights, title and interest in and to the Aggregate Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other claims purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any cash-flow deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. Amounts deriving from the Aggregate Portfolio will not be available to any other creditor of the Issuer.



Under Italian law, *prima facie*, 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 in accordance with the Terms and Conditions and the Other Issuer Creditors would have the right to claim in respect of the Claims, even in the event of bankruptcy of the Issuer.

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any Further Securitisations because (i) the corporate object of the Issuer, as contained in its by-laws (*statuto*) is very limited, and (ii) under the Terms and Conditions, the Issuer has undertaken to the Noteholders, *inter alia*, not to engage in any activity whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide and envisage that the Issuer will engage. Therefore, the Issuer must comply with certain covenants provided for by the Terms and Conditions which contain restrictions on the activities which the Issuer may carry out (including incurring further substantial debt), with the result that the Issuer may only carry out limited transactions in connection with the Securitisation and, subject to the satisfaction of Condition 5.2 (*Covenants – Further securitisations and corporate existence*), future securitisations. Accordingly, the Issuer is less likely to have creditors who would claim against it other than the ones related to the Further Securitisations, if any, the Noteholders and the Other Issuer Creditors (all of whom have agreed to non-petition provisions contained in the Transaction Documents) 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. For further details, see the following paragraph entitled "*Further Securitisations*" of this section entitled "*Risk Factors*".

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, to which the Retention Amount shall be credited on the Issue Date and refilled on each Payment Date 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.

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 Rated Notes.

### **Further Securitisations**

The Issuer may carry out Further Securitisations in addition to the Securitisation described in this Prospectus, provided that the Issuer confirms in writing to the Representative of the Noteholders – or the Representative of the Noteholders is otherwise satisfied – that the conditions set out in the Terms and Conditions (Condition 5.2 (*Covenants – Further securitisations and corporate existence*)) are fully satisfied.

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

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders.

## **RISK FACTORS RELATED TO THE RATED NOTES**

### **Suitability**

Structured securities, such as the Rated Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Rated Notes should ensure that they understand the nature of the Rated 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 Rated Notes and that they consider the suitability of the Rated Notes as an investment in light of their own circumstances and financial condition and upon advice from such advisers as they may deem necessary.

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

Prospective investors in the Rated Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originator, the Sole Arranger or the Subscriber as investment advice or as a recommendation to invest in the Rated Notes, it being understood that information and explanations related to the Terms and Conditions shall not be considered to be investment advice or a recommendation to invest in the Rated Notes.

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

#### **Source of Payments to Noteholders**

The Rated Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Rated Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Servicer, the Representative of the Noteholders, the Sole Arranger or any of the further Other Issuer Creditors. None of such parties, 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 Rated Notes.

The Issuer will not as at the Issue Date have any significant assets for the purpose of meeting its obligations under the Securitisation, other than the Aggregate Portfolio, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party. Consequently, there is a risk that, over the life of the Rated Notes or at the redemption date of the Rated Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice or otherwise), the funds available to the Issuer may be insufficient to pay interest on the Rated Notes or to repay the Rated Notes in full.

#### **Limited Recourse Nature of the Rated Notes**

The Rated Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Rated Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Issuer Available Funds to pay in full all principal and interest and other amounts due in respect of the Rated Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

#### **Yield and Prepayment Considerations**

The yield to maturity of the Rated Notes will depend on, *inter alia*, the amount and timing of repayment of principal on the Claims (including prepayments and sale proceeds arising on enforcement of a Loan) and on the actual date (if any) of exercise of the optional redemption of the notes provided for by Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*). Such yield may be adversely affected by higher or lower than anticipated rates of prepayment, delinquency and default of the Claims.

Italian Legislative Decree n. 141 of 13 August 2010, as subsequently amended ("**Legislative Decree 141**"), has introduced in the Banking Act article 120-*quater*, which provides for certain measures for the protection

of consumers' rights and the promotion of the competition in, *inter alia*, the Italian loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-bis, 4-ter and 4-quater) of 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 Banking Act is to facilitate the exercise by the borrowers of their right of prepayment of the loan (the "**Prepayment**") 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**"). In particular, with respect to the Prepayment, under article 125-*sexies* of the Banking Act, a consumer (as qualified pursuant to article 121, paragraph 1, letter b), of the Banking Act) is entitled to prepay the relevant Loan, in whole but not in part, at any time, with a prepayment fee not higher than 1 per cent. of the principal amount outstanding.

The rate of prepayment of Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer and ordinary loans market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayments that the Loans will experience.

With respect to the Subrogation, article 120-*quater* of the Banking Act provides for that, in respect 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 Banking Act provides that, in case the Subrogation is not perfected within 30 working days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% 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.

The stream of principal payments received by a Rated Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a holder of any Rated Notes. For further details, see the section entitled "*Estimated weighted average life of the Rated Notes and assumptions*".

## **Subordination**

Payments of interest and repayment of principal under the Notes are subject to certain subordination and ranking provisions.

In particular, in respect of the obligation of the Issuer to pay interest on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

In respect of the obligation of the Issuer to repay principal on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C Notes;

- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

In respect of the obligation of the Issuer to pay interest and repay principal on the Notes after the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, and the Class C Notes;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders, and then (to the extent that the Rated Notes have not been redeemed) by the Rated Noteholders.

As long as the Rated Notes are outstanding, the Rated Noteholders shall be entitled to determine the remedies to be exercised in connection with the outstanding Notes.

#### **Limited Enforcement Rights**

The protection and exercise of the Noteholders' rights against the Issuer and the enforcement of the security under the Rated Notes is one of the duties of the Representative of the Noteholders to the extent provided by the Transaction Documents. The Terms and Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to bring individual actions against the Issuer.

#### **Ranking and Conflict between Other Issuer Creditors and Noteholders**

The Terms and Conditions, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contain provisions applicable where, as regards the exercise and performance of all powers, authorities, duties and discretion of the Representative of the Noteholders, there is a conflict between (i) the Noteholders and the Other Issuer Creditors or (ii) the Other Issuer Creditors or (iii) the holders of each Class of Notes.

In particular, under the Transaction Documents it is provided that the Representative of the Noteholders, as regards the exercise and performance of all powers, authorities, duties and discretion of the Representative of the Noteholders under such Transaction Documents (except where expressly provided otherwise), shall have regard to the interests of both the Noteholders and the Other Issuer Creditors *provided that* if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders shall have regard solely to the interests of the Noteholders.

In addition, if at any time there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the applicable Priority of Payments for the payment of the amounts therein specified.

Finally, if there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the holders of different Classes of Notes, then the Representative of the Noteholders shall have regard only to the interests of the Most Senior Class of Noteholders.

#### **Limited Secondary Market**

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

Although an application has been made to list on the Official List of the Irish Stock Exchange and to admit to trading on its regulated market the Rated Notes, there can be no assurance that a secondary market for the Rated Notes will develop or, if a secondary market does develop in respect of the Rated Notes, that it will provide the holders of such Rated Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Rated Notes. Consequently, any purchaser of Rated Notes may be unable to sell such Rated Notes to any third party and it may therefore have to hold the Rated Notes until final redemption or cancellation thereof.

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

#### **Limited Nature of Credit Ratings Assigned to the Rated Notes**

Each credit rating expected to be assigned to the Rated Notes will reflect the relevant DBRS and Moody's assessment only of the likelihood that interest will be paid on each Payment Date and principal will be paid by the Final Maturity Date, not that it will be paid when expected or scheduled. These ratings will be based, among other things, on the reliability of the payments on the Aggregate 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 Rated Notes, or any market price for the Rated Notes; or
- whether an investment in the Rated Notes is a suitable investment for the relevant Noteholder.

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

Any of DBRS or Moody's may lower its ratings or withdraw its ratings if, in the sole judgement of that Rating Agency, the credit quality of the Rated Notes has declined or is in question. If any rating assigned to the Rated Notes is lowered or withdrawn, the market value of the Rated Notes may be affected.

#### **Class A Notes as eligible collateral for ECB liquidity and/or open market transactions**

After the Issue Date an application may be made to a central bank in the Euro-Zone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank in February 2011 (*The Implementation of Monetary Policy in the Euro Area*), as subsequently amended and supplemented from time to time (the "**ECB Guidelines**"), for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with the ECB Guidelines and the central banks of the Euro-Zone policies, neither the European Central Bank nor such central banks will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank. None of the Issuer, the Originator, the Sole Arranger or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Rated Notes are responsible for analysing their own regulatory position and none of the Issuer, the Sole Arranger, the Subscriber nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Rated Notes regarding the regulatory capital treatment of their investment in the Rated Notes on the Issue Date or at any time in the future.

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 Bank of Italy Instructions (*Disposizioni di Vigilanza per le Banche*) entered into force in 1 January 2014.

Under the Underwriting Agreement, the Originator has represented and undertaken *vis-à-vis* the Issuer, the Sole Arranger and the Representative of the Noteholders that it will: (i) retain a material net economic interest of at least 5 per cent. in the Securitisation in accordance with Article 51, Article 405 and the Bank of Italy Instructions so long as the Notes are outstanding and procure that the Notes retained in compliance with the above shall not be subject to any credit risk mitigation or any short protection or other hedge, as to the extent required by articles 405-410 (inclusive) of CRR; as at the Issue Date, such interest will be comprised of the Class C Notes, which constitute an interest in the first loss tranche as required by Article 51 and Article 405. Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Terms and Conditions; (ii) notify to the Issuer, the Sole Arranger, the Subscriber and the Representative of the Noteholders any change to the manner in which the net economic interest set out above is held; (iii) comply with the disclosure obligations imposed on sponsor and originator credit institutions under article 409 of the CRR and the Bank of Italy Instructions; and (iv) make available to each Noteholder, upon its reasonable request, all such necessary information in the Originator's possession to comply with the Noteholder's on-going monitoring obligations arising as a direct and immediate consequence of paragraph 2 of article 406 of the CRR.

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.

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.

Prospective investors in the Notes are responsible for analysing their own regulatory position and are required to independently assess and determine the sufficiency of the information described in this Prospectus and in any servicer's report and/or investor reports made available and/or provided in relation to the Securitisation for the purpose of complying with the CRD IV and the CRR. None of the Issuer, the Sole Arranger, the Subscriber nor any other party to the Transaction Documents makes any representation to any prospective investors in or purchaser of the Notes (i) that the information described in this Prospectus are sufficient in all circumstances for the purposes of the CRD IV and the CRR; (ii) regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future; or (iii) in respect of the compliance of the Securitisation with the relevant investors' supervisory regulations.

## **RISK FACTORS RELATED TO THE UNDERLYING ASSETS**

### **Performance of the Aggregate Portfolio**

The Initial Portfolio comprises, and each Subsequent Portfolio will comprise, Claims deriving from Loans classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's guidelines as at the relevant Valuation Date. For further details, see the section entitled "*The Aggregate Portfolio*". There can be no guarantee that the Borrowers will not default under such Loans or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Borrowers to repay the Loans.

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

### **Recoveries under the Loans**

Following default by a Borrower under a Loan, the Servicer will be required to take steps to recover the sums due under the Loan in accordance with its credit and collection policies and the Servicing Agreement. In principle, the Loan's contracts provide that, if a Claim qualifies as an Arrear Claim, the Originator is entitled to take steps to terminate its agreement with the relevant Borrower under the Loan and to require immediate repayment of all amounts advanced and/or due under the relevant Loan in accordance with its terms. For further details, see the sections entitled "*Description of the Servicing Agreement*" and "*The Credit and Collection Policies*" below.

The Servicer may take steps to recover the deficiency from any Borrower. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the relevant Borrower if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of and the time involved in carrying out legal or insolvency proceedings against the Borrower and the possibility for challenges, defences and appeals by the Borrower, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Loan.

In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor's (or guarantor's) goods (*pignoramento mobiliare*) or real

estate assets (*pignoramento immobiliare*), if the lender has previously been granted a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

Forced sale proceedings are directed against the debtor's properties following notification of an *atto di precetto* to the relevant debtor together with a *titolo esecutivo*, i.e. an instrument evidencing the nature of the claims and having certain characteristics.

The average length of time for a forced sale of a debtor's goods, from the court order or injunction of payment to the final sharing-out, is about three years. The average length of time for a forced sale of a debtor's real estate asset, 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.

Attachment proceedings may also be commenced on due and payable claims of a borrower (such as bank accounts, salary, etc.) or on a borrower's moveable property which is located on a third party's premises.

### **Principal Deficiency Ledgers**

If, upon default by Borrowers and the exercise by the Issuer or the Servicer of all available remedies under the Loans, the Issuer does not receive the full amount due from those Loans, the Issuer will be obliged to record any related Realised Loss first in the Junior Notes Principal Deficiency Ledger and, when the amount debited to the Junior Notes Principal Deficiency Ledger is equal to the Principal Amount Outstanding of the Junior Notes, in the Class B Notes Principal Deficiency Ledger and, when amount debited to the Class B Notes Principal Deficiency Ledger is equal to the Principal Amount Outstanding of the Class B Notes, in the Class A Notes Principal Deficiency Ledger. These principal deficiencies will be recouped from subsequent receipts (other than principal receipts) into the Collection Account and, subject to the payment of prior-ranking obligations as set out under the Pre-Trigger Interest Priority of Payments, firstly credited to the Class A Notes Principal Deficiency Ledger and secondly (once the balance on the Class A Notes Principal Deficiency Ledger is reduced to nil) to the Class B Notes Principal Deficiency Ledger and thirdly (once the balance on the Class B Notes Principal Deficiency Ledger is reduced to nil) to the Junior Notes Principal Deficiency Ledger.

If there are insufficient funds available as a result of such principal deficiencies, then one or more of the following consequences may ensue:

- (A) the Issuer's interest and other net income may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Class A Notes and/or the Class B Notes and/or the Junior Notes;
- (B) there may be insufficient funds to redeem the Class A Notes, the Class B Notes and/or the Junior Notes at their face value unless prior to their relevant final maturity date the Issuer's interest and other net income is sufficient, after making other payments to be made in priority thereto, to reduce to nil the debit provision in the relevant Principal Deficiency Ledger; and
- (C) if the aggregate debit balances, notwithstanding any reduction as aforesaid, exceed the aggregate face of the value of the Junior Notes, the Class B Noteholders may not receive by way of principal repayment the full face value of their Class B Notes, and if they exceed the aggregate face value of the Class B Notes and the Junior Notes, the Class A Noteholders may not receive by way of principal repayment the full face value of their Class A Notes.

### **Italian consumer protection legislation**

The Initial Portfolio comprises, and each Subsequent Portfolio will comprise, Claims deriving from Loans qualifying as consumer loans, i.e. loans extended to individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities.

In Italy, consumer loans are regulated by, *inter alia*: (a) articles 121 to 126 of the Banking Act and (b) regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*). Under the current legislation, consumer



loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set by sub-section 1 of article 122 of the Banking Act, such levels being currently fixed at € 75,000 and € 200, respectively.

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

- (i) pursuant to sub-sections 1 and 2 of article 125-*quinquies* of the Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that such default meets the conditions set out in article 1455 of the Italian Civil Code. In the case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to sub-section 4 of article 125-*quinquies* of the Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under sub-sections 1 to 3 of the same article, which they had against the original lender;
- (ii) pursuant to sub-section 1 of article 125-*sexies* of the Banking Act, borrowers under consumer loan contracts have the right to prepay any consumer loan without penalty and with the additional right to a *pro rata* reduction in the aggregate costs and interests of the loan. It should, however, be noted that, in the event of prepayment by the borrower, the lender, under certain circumstances, is entitled to a compensation equal to 1% of the prepaid amount of the consumer loan if the residual duration of the consumer loan is longer than one year, and equal to 0.5% of the same amount, if shorter; in any case, no prepayment penalty shall be due:
  - (a) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or
  - (b) in the case of overdraft facilities; or
  - (c) if the repayment falls within a period for which the borrowing rate is not fixed; or
  - (d) the prepaid sum is equal to the total outstanding amount of the relevant consumer loan and is equal or less than €10,000;
- (iii) pursuant to sub-section 1 of article 125-*septies* of the Banking Act, debtors are entitled to exercise, against the assignee of a lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian Civil Code (that is even if the borrower has accepted the assignment or has been notified thereof). It is debated whether sub-section 1 of article 125-*septies* of the Banking Act allows the assigned consumer to set-off against the assignee only claims that had arisen vis-à-vis the assignor before the assignment or also those claims arising after the assignment, regardless of any notification/acceptance of the same. In this respect it should be noted that the Securitisation Law (as recently amended by Decree No. 145 provides, *inter alia*, that, "in derogation from any other provision", with effect from the date of publication of the notice of transfer of the relevant securitised receivables in the Official Gazette the relevant assigned debtors are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date; and
- (iv) pursuant to sub-section 2 of article 125-*septies* of the Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a consumer loan contract when the original lender maintains the servicing of the relevant claims. In addition, regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*) provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Banking Act with respect to the assignment of claims to be carried out in accordance with article 58 of the Banking Act and article 4 of the Securitisation Law with respect to the securitisation transaction of claims. Prior notice of the purchase of the Claims under the Master Transfer Agreement was not, and will not be, given to the Borrowers as the Originator will continue to service the relevant Claims and the Borrowers' payment procedure will not be subject to change. Since no notice of the assignment of the Claims

to the Issuer is being given there is a risk that Borrowers who qualify as a "consumer" pursuant to the Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Loans qualifying as "consumer loans" extended to them that the assignment of the Claims cannot be enforced against them if the Originator does not continue to service the relevant Claims and the Borrowers' payment procedure are subject to change, until they receive formal notice of the assignment.

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

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

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

Santander Consumer Bank has represented and warranted in the Warranty and Indemnity Agreement that the Loans comply with all applicable laws and regulations.

### **Used vehicle risk**

Certain Loan Agreements giving rise to Claims were granted in relation to used vehicles. Historically, the risk of non-payment of auto loans in relation to used vehicles is greater than in relation to auto loans for the purchase of new vehicles.

### **Right to vehicles and reliance on residual value**

The Issuer will acquire from Originator interests in the Claims, including rights to receive certain payments from Borrowers and other ancillary rights under the Loan Agreements.

However, since it is rare for the Originator to take security over vehicles, in the event of a payment default by any Borrower, the Originator's right to repossess the vehicle is limited.

It may be difficult to trace and repossess any vehicle. In addition, any proceeds of sale of a vehicle may be less than the amount owed under the related Loan Agreement and any vehicle may be subject to an existing lien. Any action to recover outstanding amounts may not be pursued if to do so would be uneconomic.

The Originator will undertake not to impair the rights of the Issuer in the Claims except in accordance with the proper performance of its duties under the Servicing Agreement.

## **RISK FACTORS RELATED TO TAX MATTERS**

### **Tax Treatment of the Issuer**

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 29 March 2000, as subsequently confirmed by the regulations issued by the Bank of Italy on 14 February 2006, as subsequently replaced by the regulations issued by the Bank of Italy on 21 January 2014 (*schema di bilancio delle società per la cartolarizzazione dei crediti*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Claims will be treated as off-balance sheet assets, liabilities, costs and revenues. Based on the general rules applicable to the calculation of net taxable income of a company, such taxable income should be calculated on the basis of the accounting, i.e. on-balance sheet, earnings, subject to such adjustments as specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Aggregate Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate per la Lombardia* on 6 February 2003, recently confirmed by Ruling 77/E issued by *Agenzia delle Entrate* on 4 August 2010) on the grounds that the net proceeds generated by the Claims may not be considered as legally available to the Issuer insofar as any and all amounts deriving from the underlying assets of each of the securitisations are specifically destined to satisfy the obligations of such Issuer to the holders of the notes issued in the context of each such securitisation, to the other creditors of the Issuer and certain third party creditors in respect of each such securitisation in compliance with applicable law.

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

As confirmed by the tax authority (Ruling No. 222 issued by *Agenzia delle Entrate* on 5 December 2003), the interest accrued on the Accounts will be subject to withholding tax on account of corporate income tax. As of the date of this Prospectus, such withholding tax is levied at the rate of 20 per cent. (increasing to 26% on interest accrued after 1 July 2014, pursuant to Law Decree No. 66 of 24 April 2014 ("**Decree No. 66**"), not yet converted into Law) and is to be imposed at the time of payment.

### **Withholding Tax under the Notes**

Payments of interest under the Notes may or may not be subject to withholding for or on account of tax. For example, according to Decree No. 239, any non-Italian resident beneficial owner of an interest payment relating to the Notes who is (a) either not resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information or (b), 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 No. 239 and the relevant application rules in order to benefit from the exemption from substitute tax, will receive amounts of interest payable on the Notes net of Italian substitute tax. As at the date of this Prospectus such substitute tax is levied at the rate of 20 per cent. (increasing to 26% on interest accrued after 1 July 2014, pursuant to Decree No. 66, not yet converted into Law), or such lower rate as may be applicable under the relevant double taxation treaty. For further details, see the section entitled "*Taxation*".

In the event that substitute tax is imposed in respect of payments to the Noteholders of amounts due pursuant to the Notes, the Issuer will not be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the imposition of substitute tax.

### **European Withholding Tax Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted the EU Directive 2003/48/EC, (the "**European Withholding Tax Directive**") a directive regarding the taxation of savings income which proposes that each EU Member State will be required to provide to tax authorities of another EU Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State (the "**Disclosure of Information Method**"). The European Withholding Tax Directive provides that Austria and Luxembourg will instead apply a withholding tax in relation to such payments for a transitional period as defined therein, unless during such period they would elect otherwise. The Italian Government has implemented the aforesaid European Withholding Tax

Directive with the Italian Legislative Decree No. 84 of 18 April 2005. For further details, see the section entitled "*Taxation*".

## **GENERAL RISK FACTORS**

### **Claw Back of the Sales of the Claims**

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant originator is made within three months from the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months from the securitisation transaction.

### **Historical Information**

The historical financial and other information set out in the sections headed "*The Originator*", "*Credit and Collection Policies*" and "*The Aggregate Portfolio*", including in respect of the default rates, represents the historical experience of Santander Consumer Bank, which accepts responsibility for the fairness and accuracy of these sections. However, there can be no assurance that the future experience and performance of Santander Consumer Bank as Servicer will be similar to the experience shown in this Prospectus.

### **Servicing of the Aggregate Portfolio**

The Aggregate Portfolio has been serviced by the Servicer starting from the Initial Execution Date pursuant to the Servicing Agreement. Previously, the Aggregate Portfolio was always serviced by Santander Consumer Bank as owner of the Aggregate Portfolio. The net cash flows deriving from the Aggregate Portfolio may be affected by decisions made, actions taken and collection procedures adopted by the Servicer pursuant to the provisions of the Servicing Agreement.

The Servicer has undertaken to prepare and submit to the Issuer quarterly reports in the form set out in the Servicing Agreement, containing information as to, *inter alia*, the Collections made in respect of the Aggregate Portfolio during the preceding Collection Period.

### **Italian Usury Law**

Italian Law No. 108 of 7 March 1996 (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 latest of these Decrees having been issued on 24 March 2014 and published in the Official Gazette of 29 March 2014, No. 74).

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

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

The Italian Government has intervened in this situation with Law Decree No. 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law No. 24 by the Italian Parliament on 28 February 2001, which provides, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties

exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree has also provided 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 (namely 31 December 2000) are to be substituted with 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 No. 29 of 14 February 2002, the Italian Constitutional Court has stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for such provisions of the Usury Law Decree providing that the interest rates due on instalments payable after 2 January 2001 on loans are to be substituted with 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.

Prospective Noteholders should note that whilst Santander Consumer Bank has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any damages, losses, claims, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction in any interest accrued on the relevant financial lease as a result of the application of the Usury Law or of the Usury Law Decree, the ability of the Issuer to maintain scheduled payments of interest and principal on the Rated Notes may be adversely affected as a result of a financial lease being found to be in contravention with the Usury Law, thus allowing the relevant Lessee to claim relief on any interest previously paid and obliging the Issuer in the future to accept a reduced rate of interest, or potentially no interest, payable on such financial lease.

The Originator has represented in the Warranty and Indemnity Agreement that the interest rates applicable under the Lease Contracts are in compliance with the then applicable Usury Rate.

### **Italian Law No. 3 of 27 January 2012**

Following the enactment of Law No. 3 of 27 January 2012, as amended by Law No. 221 of 17 December 2012 ("**Law No. 3**"), 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.

Law No. 3 applies 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 where there is a continuing imbalance between the debtor's obligations and his/her highly liquid assets which causes a considerable difficulty in fulfilling his/her obligations, or a definitive incapacity to duly perform his/her 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 which shall ensure, *inter alia*, the regular payment of creditors having certain claims which cannot be attached (*impignorabili*).

Such draft restructuring 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 restructuring arrangement, the debtor's obligations under the draft restructuring 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 restructuring arrangement can provide for a moratorium on payments due to creditors benefiting from pledges, mortgages or privileges, except in the case that the draft restructuring arrangement provide for the liquidation of the assets subject to security.

Upon filing of the draft restructuring 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 restructuring arrangement and the court decision need to be published and notified to the creditors. During the hearing, the judge may award an automatic stay up to the certification (*omologazione*) with respect to the enforcement actions over the assets of the relevant debtor. 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 (the silence of creditors being considered as a consent to the proposed draft).

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 the restructuring arrangement.

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 also for:

- (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 Court 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: the judge appointed for the procedure is entitled to appoint a liquidator and to award an automatic stay up to the closing of the procedure with respect to the enforcement actions over the assets of the relevant debtor. The liquidator has the administration of the assets of the debtor, and has the task of determining the profits and losses of the latter. In case of disputes in respect of this determination, the judge is entitled to settle them. Following the closing of the procedure, and subject to certain conditions, the debtor is entitled to obtain the cancellation of the remaining debts (*esdebitazione*).

Given the recent enactment 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.

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

According to Article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest can be capitalised after a period of not less than six months provided that the capitalisation has been agreed after the date on which it has become due and payable or from the date when the relevant legal proceedings are commenced in respect of that monetary claim or receivable. According to Article 1283 of the Italian Civil Code, such provision may be derogated from only in the event that there are recognised customary practices (*usi*) to the contrary. Traditionally, capitalisation of interest (including the capitalisation of interest on bonds and other debt instruments) in Italy is a common market practice on the grounds that such practice should be characterised as a customary rule (*uso normativo*). According to certain judgements from Italian Supreme Court (*Corte di Cassazione*) (including judgements No. 2374/1999, No. 2593/2003 and No. 21095/2004 as recently confirmed by judgment No. 24418/2010 of the same Court), such practice has been re-characterised as an agreed clause (*uso negoziale*) and as such, has been deemed not to permit derogation from the aforementioned provisions of the Italian Civil Code.

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

According to a ruling of the Tribunal of Bari dated 29 October 2008 the amortisation plans known as "French amortisation plans" (applied to certain type of loans in Italy) are not valid, being in breach of Articles 1283 and 1284 of the Italian Civil Code. The rationale behind such ruling seems to be, *inter alia*, that the French amortisation plans would *per se* lead to apply to the relevant loan an interest rate higher than the interest rate contractually agreed between the lender and the borrower and, therefore, to increase the cost of the financing for the borrower. According to such ruling, banks which use in their loans the French amortisation plan would be in breach of Article 1283 and 1284 as the relevant rate of interest and the cost of the financing would not be clearly indicated in the relevant loan agreement. As a result, the relevant contractual interest rate may be challenged by the relevant borrower and the legal interest rate may apply.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the Originator has represented that all the Lease Contracts have been executed and performed in compliance with all applicable laws, provisions and regulations including, *inter alia*, all the applicable financial lease laws and regulations, the Usury Law and the provisions of Article 1283 of the Italian Civil Code.

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

The performance of the Italian economy has a significant impact on Santander Consumer Bank as its activities are principally concentrated in the Republic of Italy. A severe or extended downturn in the Republic of Italy's economy would adversely affect the results of operations of the Originator and the financial condition of both the Lessees and the Originator which could in turn affect the ability of the latter to perform its obligations under the Transaction Documents to which it is a party.

### **Change of Law**

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

### **Projections, forecasts and estimates**

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results.

Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No one undertakes any obligation to update or revise any forward-looking statements contained in this Prospectus 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 Rated Notes but the inability of the Issuer to pay interest or repay principal on the Rated*

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



## THE AGGREGATE PORTFOLIO

### Introduction

The Aggregate Portfolio consists of the Claims comprised in the Initial Portfolio and the Subsequent Portfolios, respectively, purchased and to be purchased by the Issuer from the Originator pursuant to the terms of the Master Transfer Agreement.

The Initial Portfolio, purchased by the Issuer from the Originator on the Initial Execution Date (with economic effects from the Initial Valuation Date, being 17 April 2014), comprised debt obligations owed by 102,544 Borrowers, under 102,943 Loan Agreements. The aggregate Outstanding Principal of the Initial Portfolio as at the Initial Valuation Date was € 752,046,350.66. The Purchase Price of the Initial Portfolio will be funded through the proceeds of the Notes.

During the Revolving Period, subject to the terms and conditions of the Master Transfer Agreement, the Originator may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios of Claims having substantially the same characteristics as the Loans comprised in the Initial Portfolio. The Purchase Price of each Subsequent Portfolio will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments.

### The Loan Agreements

All the Claims comprised in the Aggregate Portfolio arise and will arise out of the Loans granted by Santander Consumer Bank to certain Borrowers classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's guidelines as at the relevant Valuation Date. The Loans are personal loans granted for the purpose of funding the purchase of Vehicles.

### Eligibility Criteria of the Initial Portfolio

All the Claims comprised in the Initial Portfolio assigned to the Issuer pursuant to the Master Transfer Agreement arise out of Loans satisfying all the following Initial Criteria, as of the Initial Valuation Date (unless otherwise specified below):

- (a) loans governed by Italian law;
- (b) loans entered into and fully advanced by Santander Consumer Bank;
- (c) loans providing for the repayment of the relevant principal in several instalments in accordance with the so-called "French method" (as agreed on the relevant execution date of the relevant loan), being the amortisation method pursuant to which all instalments have a fixed amount and include a principal component determined at the relevant date of disbursement which increases over the time and a variable interest component which decreases over the time;
- (d) loans granted to borrowers which, as at the execution date of the relevant loan agreement, are either (A) individuals (*persone fisiche*) residing in Italy or (B) corporate entities (*persone giuridiche*) having their registered office in Italy;
- (e) loans granted and denominated in Euros;
- (f) loans providing a fixed rate of interest;
- (g) loans providing a monthly amortisation plan;
- (h) purpose loans granted for the purchase of vehicles registered in Italy, including cars, motorbikes, camper and commercial vehicles with a weight not exceeding 3,500 kilograms;
- (i) in case of purpose loans granted for the purchase of vehicles registered for not more than 12 months as at the date of execution of the relevant loans agreement, such loans (i) have an outstanding principal (net of any instalments due and not paid) comprised between € 96.39 and €

70,179.79; and (ii) provide for an annual nominal rate of return (*tasso nominale annuo*) equal to, or higher, than 0%;

- (j) in case of purpose loans granted for the purchase of vehicles registered for more than 12 months as at the date of execution of the relevant loan agreement, such loans (i) have an outstanding principal (net of any instalments due and not paid) comprised between € 69.96 and € 78,340.13; and (ii) provide for an annual nominal rate of return (*tasso nominale annuo*) equal to, or higher than, 5.836%;
- (k) loans having at least one Instalment, including a principal component and an interest component, which has already fallen due and been duly paid;
- (l) loans having a principal outstanding amount which, together with the principal outstanding amount (net of any instalments due and not paid) of any other loan borrowed by same individual from Santander Consumer Bank, does not exceed € 78,340.13;
- (m) loans having all their instalments falling due by 15 September 2021 or, if such date is not a business day, on the immediately following business day;
- (n) loans entered into by Santander Consumer Bank in the period between (and including) 15 November 2006 and (and including) 26 March 2014; and
- (o) loans having a global annual rate, for the purposes and within the meaning of article 121 of the Banking Act, which does not exceed 19.3%.

Among the claims deriving from loans satisfying all the criteria set out in paragraphs from (a) to (o) above, those which as at the Initial Valuation Date (except where otherwise specified) satisfied also at least one of the following criteria have not been assigned to the Issuer pursuant to the Master Transfer Agreement:

- (a) loans providing an amortisation plan extended in respect of the one initially provided for in the relevant loan contract;
- (b) loans having one or more instalments that were overdue (meaning an instalment that fell due and was not fully paid on the due payment date and that remained unpaid for at least one calendar month as of such date);
- (c) loans which, following the execution of the relevant loan agreement, has had at any time more than three, even not consecutively, overdue instalments, meaning instalments that fell due and were not fully paid on the relevant due payment date and that remained unpaid for at least one calendar month as of that date;
- (d) loans granted to individuals who, at the time of the advance of the relevant loan, were employees, agents or attorneys of Santander Consumer Bank or of other companies belonging to the Santander Consumer Bank Group (Gruppo Bancario Santander Consumer Bank);
- (e) loans requiring the specific consent of the borrower for the transfer of the relevant claims pursuant to the relevant loan agreement or other contractual documentation applicable;
- (f) loans secured by the assignment of one-fifth of the salary, one-fifth of the pension or assisted by a delegation of payment to the relevant employer; or
- (g) loans relating to a financed asset which has not yet been delivered to the relevant borrower.

### **Eligibility Criteria of the Subsequent Portfolios**

#### *Common Criteria of the Subsequent Portfolios*

All the Claims comprised in each Subsequent Portfolio assigned to the Issuer pursuant to the Master Transfer Agreement shall arise out of Loans satisfying all the following Common Criteria, as of the relevant Valuation Date (unless otherwise specified below):

- (a) loans governed by Italian law;
- (b) loans entered into and fully advanced by Santander Consumer Bank;
- (c) loans providing for the repayment of the relevant principal in several instalments in accordance with the so-called "French method" (as agreed on the relevant execution date of the relevant loan), being the amortisation method pursuant to which all instalments have a fixed amount and include a principal component determined at the relevant date of disbursement which increases over the time and a variable interest component which decreases over the time;
- (d) loans granted to borrowers which, as at the execution date of the relevant loan agreement, are either (A) individuals (*persone fisiche*) residing in Italy or (B) corporate entities (*persone giuridiche*) having their registered office in Italy;
- (e) loans granted and denominated in Euros;
- (f) loans providing a fixed rate of interest;
- (g) loans providing a monthly amortisation plan;
- (h) loans having at least one Instalment, including a principal component and an interest component, which has already fallen due and been duly paid;

Among the claims deriving from loans satisfying all the criteria set out above, those arising from loans satisfying, as at the relevant Valuation Date (except where otherwise specified below) also at least one of the following criteria will not be assigned to the Issuer pursuant to the Master Transfer Agreement:

- (a) loans providing an amortisation plan extended in respect of the one initially provided for in the relevant loan contract;
- (b) loans having one or more instalments that were overdue (meaning an instalment that fell due and was not fully paid on the due payment date and that remained unpaid for at least one calendar month as of such date);
- (c) loans which, following the execution of the relevant loan agreement, has had at any time more than three (even not consecutively) overdue instalments, meaning instalments that fell due and were not fully paid on the relevant due payment date and that remained unpaid for at least one calendar month as of that date;
- (d) loans granted to individuals who, at the time of the advance of the relevant loan, were employees, agents or attorneys of Santander Consumer Bank or of other companies belonging to the Santander Consumer Bank Group (Gruppo Bancario Santander Consumer Bank);
- (e) loans requiring the specific consent of the borrower for the transfer of the relevant claims pursuant to the relevant loan agreements;
- (f) loans secured by the assignment of one-fifth of the salary, one fifth of the pension or assisted by a delegation of payment to the relevant employer; or
- (g) loans relating to a financed asset which has not yet been delivered to the relevant borrower;

*Specific Criteria of the Subsequent Portfolios*

All the Claims comprised in each Subsequent Portfolio which will be assigned to the Issuer pursuant to the Master Transfer Agreement shall arise out of Loans satisfying also the following Specific Criteria, as of the relevant Valuation Date (unless otherwise specified below):

- (a) loans having a principal outstanding amount which, together with the principal outstanding amount (net of any instalments due and not paid) of any other loan borrowed by same individual from Santander Consumer Bank, does not exceed € - number to be set out in the relevant offer to sell -;
- (b) loans having all their instalments falling due by - date to be set out in the relevant offer to sell - or, if such date is not a business day, on the immediately following business day;
- (c) loans included in one of the two following categories:
  - (i) in relation to loans granted for the purchase of one of the following categories: (A) vehicles (including cars, motorbikes, camper and commercial vehicles with a weight not exceeding 3,500 kilograms) registered in Italy for not more than 12 months as at the date of execution of the relevant consumer credit; (B) boats registered with R.I.D. (Registro Imbarcazioni Diporto) for not more than 12 months as at the date of execution of the relevant consumer credit; and (C) new marine engines, the outstanding principal (net of any instalments due and not paid) is comprised between € - number to be set out in the relevant offer to sell - and € - number to be set out in the relevant offer to sell -; and (ii) the annual nominal rate of return (tasso nominale annuo) is equal to, or higher, than - number to be set out in the relevant offer to sell -%;
  - (ii) in relation to loans granted for the purchase of one of the following categories: (A) vehicles (including cars, motorbikes, camper and commercial vehicles with a weight not exceeding 3,500 kilograms) registered in Italy for more than 12 months as at the date of execution of the relevant loan agreement; (B) boats registered with R. I.D. (Registro Imbarcazioni Diporto) for more than 12 months as at the date of execution of the relevant loan agreement; and (C) used marine engines, the outstanding principal (net of any instalments due and not paid) is comprised between € - number to be set out in the relevant offer to sell - and € - number to be set out in the relevant offer to sell -; and (ii) the annual nominal rate of return (tasso nominale annuo) is equal to, or higher than, - number to be set out in the relevant offer to sell -%;
- (d) loans entered into by Santander Consumer Bank in the period between (and including) - date to be set out in the relevant offer to sell - and (and including) - date to be set out in the relevant offer to sell -; and
- (e) loans having a global annual rate, for the purposes and within the meaning of article 121 of the Banking Act, which does not exceed - number to be set out in the relevant offer to sell -%.

#### **Other features of the Claims**

The Originator has represented and warranted in the Warranty and Indemnity Agreement that, as at the Initial Valuation Date:

- (a) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the Loans granted by branches of the Originator located in Southern Italy is equal to, or lower than, 32% of the Outstanding Principal of the Initial Portfolio;
- (b) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the Loans which provide for postal payments (i.e. not by direct debit of the Borrower's account) is equal to, or lower than, 8,5% of the Outstanding Principal of the Initial Portfolio;
- (c) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the New Car Loans is equal to, or higher than, 77% of the Outstanding Principal of the Initial Portfolio;

- (d) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the Used Car Loans is equal to, or lower than, 23% of the Outstanding Principal of the Initial Portfolio;
- (e) the Internal Rate of Return is not lower than 6,9%;
- (g) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the Loans granted to a Borrower having the highest aggregate debt exposure towards the Originator is equal to, or lower than, 0,02% of the Outstanding Principal of the Initial Portfolio;
- (h) the Outstanding Principal of the Claims comprised in the Initial Portfolio arising from the Loans granted to top 10 Borrowers having the higher aggregate debt exposures towards the Originator is equal to, or lower than, 0,1% of the Outstanding Principal of the Initial Portfolio; and
- (i) the Outstanding Principal of the Claims comprised in in the Initial Portfolio arising from Relevant Loans is equal to, or lower than, 4% of the Outstanding Principal of the Initial Portfolio.

In addition to the above, the Originator has undertaken in the Warranty and Indemnity Agreement to offer for sale to the Issuer Subsequent Portfolios having features so that, following the purchase of the relevant Subsequent Portfolio, the Aggregate Portfolio (inclusive of the relevant Subsequent Portfolio) will meet the following requirements as at the relevant Valuation Date of such Subsequent Portfolio:

- (a) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Loans granted by branches of the Originator located in Southern Italy is equal to, or lower than, 35% of the Outstanding Principal of the Subsequent Portfolio;
- (b) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Loans which provide for postal payments (i.e. not by direct debit of the Borrower's account) is equal to, or lower than, 12% of the Outstanding Principal of the Subsequent Portfolio;
- (c) the Outstanding Principal of the Claims arising from the New Car Loans is equal to, or higher than, 70% of the Outstanding Principal of the Subsequent Portfolio;
- (d) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Used Car Loans is equal to, or lower than, 30% of the Outstanding Principal of the Subsequent Portfolio;
- (e) the Internal Rate of Return is not lower than 5%;
- (f) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Loan granted to a Borrower having the highest aggregate debt exposure towards the Originator is equal to, or lower than, 0,3% of the Outstanding Principal of the Subsequent Portfolio, in each case as at the relevant Subsequent Valuation Date;
- (h) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Loans granted to the top 10 Borrowers having the higher aggregate debt exposures towards the Originator is equal to, or lower than, 0,6% of the Outstanding Principal of the Subsequent Portfolio;
- (i) the Outstanding Principal of the Claims comprised in the Aggregate Portfolio arising from the Loans which qualify as "consumer loans" in accordance with the applicable laws is equal to, or higher than, 75% of the Outstanding Principal of the Subsequent Portfolio.

### **Initial Portfolio**

The following tables set out statistical information representative of the characteristics of the Initial Portfolio. The tables are derived from information supplied by the Originator in connection with the acquisition of the Initial Portfolio by the Issuer on the Initial Execution Date. The information in the tables reflects the position as at the Initial Valuation Date and amounts, where relevant, are in euro.

### **Summary**

The primary characteristics of the Initial Portfolio as of the Initial Valuation Date are as follows:

### *Original principal*

The following table shows the breakdown of Loans comprised in the Initial Portfolio by original principal amount.

	Total			AN			AU		
<b>Original Balance</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>
0: 9999	40,552	170,055,336	22.61%	21,518	94,099,276	16.17%	19,034	75,956,059	44.65%
10000: 19999	52,091	422,738,141	56.21%	42,816	345,636,960	59.40%	9,275	77,101,180	45.32%
20000: 29999	8,927	130,627,910	17.37%	8,052	117,650,484	20.22%	875	12,977,426	7.63%
30000: 39999	1,078	20,770,834	2.76%	935	17,586,511	3.02%	143	3,184,323	1.87%
40000: 49999	203	5,020,644	0.67%	176	4,322,733	0.74%	27	697,911	0.41%
50000: 59999	55	1,706,236	0.23%	52	1,579,803	0.27%	3	126,432	0.07%
60000: 69999	23	682,878	0.09%	22	679,761	0.12%	1	3,117	0.00%
70000: 79999	11	295,853	0.04%	11	295,853	0.05%			0.00%
80000: 89999	1	78,340	0.01%			0.00%	1	78,340	0.05%
90000: 99999	1	70,180	0.01%	1	70,180	0.01%			0.00%
100000:109999	-	-	0.00%	-	-	0.00%	-	-	0.00%
110000:119999	-	-	0.00%	-	-	0.00%	-	-	0.00%
120000:129999	-	-	0.00%	-	-	0.00%	-	-	0.00%
140000:149999	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### *Year of origination*

The following table shows the breakdown of Loans in the Initial Portfolio by year of origination.

	Total			AN			AU		
<b>Origination year</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>	<b>No.</b>	<b>Current Balance</b>	<b>Pct (%)</b>
2006	6	1,464	0.00%	6	1,464	0.00%			0.00%
2007	1,709	2,092,621	0.28%	1,680	2,059,211	0.35%	29	33,410	0.02%
2008	4,440	10,726,615	1.43%	4,175	10,208,255	1.75%	265	518,360	0.30%
2009	4,744	10,273,672	1.37%	4,087	9,189,946	1.58%	657	1,083,726	0.64%
2010	9,335	25,554,151	3.40%	7,086	20,121,035	3.46%	2,249	5,433,117	3.19%
2011	15,345	81,328,406	10.81%	10,004	62,029,774	10.66%	5,341	19,298,632	11.34%
2012	24,295	190,899,061	25.38%	17,165	150,546,263	25.87%	7,130	40,352,798	23.72%
2013	32,884	321,333,583	42.73%	22,613	244,959,739	42.09%	10,271	76,373,844	44.89%
2014	10,184	109,836,777	14.61%	6,767	82,805,876	14.23%	3,417	27,030,902	15.89%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### *Outstanding principal amount*

The following table shows the breakdown of Loans in the Initial Portfolio by outstanding principal amount.

Total AN AU

Current Balance	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
0: 9999	76,095	356,070,972	47.35%	50,863	243,464,990	41.84%	25,232	112,605,982	66.19%
10000: 19999	23,641	318,127,142	42.30%	19,834	268,659,157	46.17%	3,807	49,467,985	29.08%
20000: 29999	2,903	66,766,975	8.88%	2,633	60,491,385	10.40%	270	6,275,590	3.69%
30000: 39999	242	8,112,212	1.08%	197	6,605,499	1.14%	45	1,506,713	0.89%
40000: 49999	42	1,849,786	0.25%	39	1,720,471	0.30%	3	129,315	0.08%
50000: 59999	12	655,060	0.09%	12	655,060	0.11%			0.00%
60000: 69999	5	315,684	0.04%	4	254,820	0.04%	1	60,864	0.04%
70000: 79999	2	148,520	0.02%	1	70,180	0.01%	1	78,340	0.05%
80000: 89999	-	-	0.00%	-	-	0.00%	-	-	0.00%
90000: 99999	-	-	0.00%	-	-	0.00%	-	-	0.00%
100000:109999	-	-	0.00%	-	-	0.00%	-	-	0.00%
110000:119999	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### Interest rate

The following table shows the breakdown of Loans in the Initial Portfolio by T.A.N., annual nominal rate of return (*tasso nominale annuo*).

TAN(%)	Total			AN			AU		
	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
0	5,314	31,116,186	4.14%	5,314	31,116,186	5.35%			0.00%
1	372	2,227,960	0.30%	372	2,227,960	0.38%			0.00%
2	881	5,792,279	0.77%	881	5,792,279	1.00%			0.00%
3	1,423	14,489,513	1.93%	1,423	14,489,513	2.49%			0.00%
4	2,343	15,059,622	2.00%	2,343	15,059,622	2.59%			0.00%
5	5,424	42,348,325	5.63%	5,323	41,322,385	7.10%	101	1,025,940	0.60%
6	23,757	209,133,018	27.81%	22,081	197,442,840	33.93%	1,676	11,690,177	6.87%
7	31,660	233,394,476	31.03%	22,377	177,390,949	30.48%	9,283	56,003,527	32.92%
8	21,062	130,177,771	17.31%	10,608	71,929,274	12.36%	10,454	58,248,497	34.24%
9	8,321	52,610,436	7.00%	2,278	19,352,672	3.33%	6,043	33,257,763	19.55%
10	1,816	10,669,654	1.42%	338	2,706,856	0.47%	1,478	7,962,798	4.68%
11	316	1,925,750	0.26%	69	657,687	0.11%	247	1,268,063	0.75%
12	250	3,083,160	0.41%	176	2,433,338	0.42%	74	649,822	0.38%
13	3	18,202	0.00%	-	-	0.00%	3	18,202	0.01%
14	-	-	0.00%	-	-	0.00%	-	-	0.00%
15	-	-	0.00%	-	-	0.00%	-	-	0.00%
16	-	-	0.00%	-	-	0.00%	-	-	0.00%
17	-	-	0.00%	-	-	0.00%	-	-	0.00%
18	-	-	0.00%	-	-	0.00%	-	-	0.00%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### Original term

The following table shows the breakdown of Loans in the Initial Portfolio by original maturity term.

Maturity	Total			AN			AU		
	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
2014	16,396	19,759,596	2.63%	12,021	15,146,808	2.60%	4,375	4,612,788	2.71%
2015	21,572	81,692,421	10.86%	15,068	59,611,903	10.24%	6,504	22,080,519	12.98%
2016	20,054	133,644,498	17.77%	12,640	91,691,560	15.76%	7,414	41,952,938	24.66%
2017	18,962	176,304,199	23.44%	12,944	129,257,065	22.21%	6,018	47,047,134	27.65%
2018	13,711	161,804,601	21.52%	10,214	127,118,234	21.84%	3,497	34,686,367	20.39%
2019	7,237	98,019,206	13.03%	6,071	84,185,489	14.47%	1,166	13,833,718	8.13%
2020	3,988	63,174,632	8.40%	3,670	58,338,042	10.03%	318	4,836,589	2.84%
2021	1,022	17,647,197	2.35%	955	16,572,461	2.85%	67	1,074,737	0.63%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### Geographical region

The following table shows the breakdown of Loans comprised in the Initial Portfolio by location of the branch through which the relevant Loan was disbursed.

Customer Area	Total			AN			AU		
	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
Centre	25,728	182,931,390	24.32%	19,059	143,969,784	24.74%	6,669	38,961,606	22.90%
North	42,568	333,614,299	44.36%	33,106	273,442,420	46.99%	9,462	60,171,879	35.37%
South	34,646	235,500,661	31.31%	21,418	164,509,358	28.27%	13,228	70,991,304	41.73%
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

Region	Current Balance	Percentage
ABRUZZI	17,332,782.79	2.30%
BASILICATA	4,751,830.01	0.63%
CALABRIA	18,655,217.61	2.48%
CAMPANIA	87,968,857.11	11.70%
EMILIA ROMAGNA	51,002,937.66	6.78%
FRIULI VENEZIA GIULIA	11,300,482.96	1.50%
LAZIO	67,392,550.12	8.96%
LIGURIA	25,758,838.78	3.43%
LOMBARDIA	131,670,096.41	17.51%
MARCHE	16,596,571.72	2.21%
MOLISE	6,051,969.42	0.80%
PIEMONTE	57,103,747.02	7.59%
PUGLIA	52,551,644.52	6.99%
SARDEGNA	15,980,328.01	2.12%
SICILIA	56,366,942.00	7.50%
TOSCANA	69,690,107.11	9.27%
TRENTINO - ALTO ADIGE	6,633,737.55	0.88%



UMBRIA	16,437,934.78	2.19%
VALLE D'AOSTA	3,147,276.65	0.42%
VENETO	35,652,498.43	4.74%
<hr/>		
Total:	752,046,351	100.00%

### Payment method

The following table shows the breakdown of Loans in the Initial Portfolio by payment method.

Method	Total			AN			AU		
	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
Postal Slip	12,671	62,398,951	8.30%	6,584	37,092,172	6.37%	6,087	25,306,779	14.88%
Direct Debit	90,271	689,647,400	91.70%	66,999	544,829,390	93.63%	23,272	144,818,010	85.12%
<hr/>									
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### Type of Borrowers

The following table shows the breakdown of Loans in the Initial Portfolio by type of Borrowers (i.e. individuals (*persone fisiche*) or legal entities (*persone giuridiche*)).

Borrower Type	Total			AN			AU		
	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)	No.	Current Balance	Pct (%)
Consumer	95,218	674,937,451	89.75%	67,854	521,054,704	89.54%	27,364	153,882,747	90.45%
Non Consumer	7,724	77,108,900	10.25%	5,729	60,866,858	10.46%	1,995	16,242,042	9.55%
<hr/>									
<b>Total:</b>	<b>102,942</b>	<b>752,046,351</b>	<b>100.00%</b>	<b>73,583</b>	<b>581,921,562</b>	<b>100.00%</b>	<b>29,359</b>	<b>170,124,789</b>	<b>100.00%</b>

### Legal status and economic activity group of Borrowers

The following table shows the breakdown of Loans comprised in the Initial Portfolio by legal status and applicable SAE (*settore di attività economica* – economic activity group) code of the Borrowers.

SAE code	SAE code	No.	Current Balance	Pct (%)
263	Società di credito al consumo	1	8,254	0.00%
268	Altre finanziarie	1	20,088	0.00%
280	MEDIATORI, AGENTI E CONSULENTI DI ASSICURAZIONE	4	47,356	0.01%
284	ALTRI AUSILIARI FINANZIARI	2	20,413	0.00%
430	IMPRESE PRODUTTIVE	1,332	15,331,441	2.04%
431	HOLDING PRIVATE	2	66,595	0.01%
450	ASSOCIAZIONI FRA IMPRESE NON FINANZIARIE	3	32,335	0.00%
480	UNITA' O SOCIETA' CON 20 O PIU' ADDETTI	15	135,990	0.02%
482	SOCIETA' CON MENO DI 20 ADDETTI	90	1,104,398	0.15%
490	UNITA' O SOCIETA' CON 20 O PIU' ADDETTI	1	14,373	0.00%
491	UNITA' O SOCIETA' CON PIU' DI 5 E MENO DI 20 ADDETTI	20	201,132	0.03%
492	SOCIETA' CON MENO DI 20 ADDETTI	952	10,136,053	1.35%
500	ISTITUZIONI ED ENTI ECCLESIASTICI E RELIGIOSI	5	65,385	0.01%

501	ISTITUZ E ENTI CON FINALITA'DI ASSIST,BENEF,ISTRUZ,E SIMILI	28	257,757	0.03%
600	FAMIGLIE CONSUMATRICI	95,218	674,937,451	89.75%
614	ARTIGIANI	2,384	21,109,794	2.81%
615	ALTRE FAMIGLIE PRODUTTRICI	2,881	28,520,513	3.79%
	OTHER	3	37,022	0.00%
<hr/>				
<b>Total:</b>		102,942	752,046,351	100.00%

### Capacity to produce funds

In light of the above, and subject to the risks set out in the section entitled "*Risk Factors*", the Claims backing the Notes have characteristics that (taken together with the structural features of the Securitisation and the arrangements entered into or to be entered into in accordance with the Transaction Documents) demonstrate capacity to produce funds to service any payments due and payable on the Notes in accordance with the Terms and Conditions.

## THE ORIGINATOR AND THE SERVICER

Santander Consumer Bank S.p.A. (the "**Originator**") is a bank organised as a joint stock company incorporated under the Italian law, registered in the Turin Companies' Register under Registration no. 05634190010 and with the register of banks (Albo delle banche) held by the Bank of Italy pursuant to article 13 of Italian legislative decree No. 385 of 1 September 1993 under Registration number 5496.

The Originator is the parent company of the Italian banking group named "Gruppo Bancario Santander Consumer Bank" registered with the register of banking groups (Albo dei gruppi bancari) held by the Bank of Italy pursuant to article 64 of the Banking Act under number 3191.4.

The Originator's business is based exclusively in Italy. Its' primary activities are related to the provision of the following six main product types: consumer credits, personal loans, car leasing, credit cards loans, savings deposits and salary assignment (salary backed loans or "*cessione del quinto di stipendio*")

### Historical background and general information

The Originator was established on 16 November 1988 as a financial intermediary (*intermediario finanziario*) and was registered in the special register held by the Bank of Italy pursuant to article 107 of the Banking Act. The Originator's shareholders have varied significantly over the last decade. In particular, in 1993, Istituto Bancario S. Paolo di Torino (now known as Intesa San Paolo S.p.A. ("Intesa")) purchased a 20% stake in the Originator. By late 1993, the shareholders of the Originator were:

<b>Shareholders</b>	<b>Percentage of shareholdings</b>
Banca di Credito del Piemonte S.p.A.	20%
Fincab S.p.A. (CAB Group)	20%
Insel (Banca Sella Group) S.r.l.	20%
Istituto Bancario S. Paolo di Torino S.p.A.	20%
Reale Mutua Assicurazioni S.p.A.	20%

In 1997, Istituto Bancario S. Paolo di Torino increased its shareholding to 50% while the other shareholders sold their shares to CC-Holding GmbH ("**CC-Holding**"), a German holding company indirectly owned by Santander Central Hispano ("**SCH**"). CC-Holding also controlled CC-Bank AG, a German bank managing SCH consumer finance business in Germany and in several other European countries. In March 2003, the Originator's two remaining shareholders (Sanpaolo IMI and SCH) announced that an agreement had been reached for the sale of the 50% stake in the bank owned by Intesa to the Santander Central Hispano Group (the "**SCH Group**"). The agreement involved the initial purchase of a 20% stake.

As at the date of this Base Prospectus, the Originator is wholly owned by Santander Consumer Finance, S.A. and Santander Consumer Finance, S.A. is in turn wholly owned by Banco Santander, S.A. In May 2006, the Originator changed its name from "Finconsumo Banca S.p.A." to "Santander Consumer Bank S.p.A.", completing the process of integration within the Banco Santander group.

The authorised and paid-up share capital of the Originator as at 31 December 2012 is € 573,000,000, divided into 573,000 ordinary shares having a face value of € 1,000 each. All issued share capital is fully paid up.

The registered office of the Originator is located in via Nizza, 262, 10126 Turin, Italy.

The Originator holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy with particular focus on consumer credit services.

### Organisational structure

#### *General*

During 2013, a re-organization process was held and was concluded by the end of December. The general aim of the process was to give more efficiency to the Bank structure giving better chances and instruments to face the difficult macro-economic contest.

The Originator has reduced its territorial presence with the closure of some branches having at 31 December 2013, 21 branches all over Italy, all with a specific office fully dedicated to direct loans. Beside the direct branches, the Originator distributes its financial services through Retail Distributors (*Convenzionati*), a centralized platform for at distance sell and brokers.

Retail Distributors are the main distribution channel especially in automotive sector in which the Originator, at 31 December 2013, has an important market share (6,51%) in Assofin market (*Associazione Italiana del Credito al Consumo e Immobiliare*).

Centralized platform for personal loans at distance sell is constituted a company separated from the Originator which manages personal loans requests of those customers who leave in areas where, due to market conditions, the establishment of a branch would not be the most efficient way to service the customers themselves.

These brokers are under the control of the nearest branch of the Originator with which they maintain a close working relationship, and each broker must conduct its affairs in accordance with rules and regulations set out by the Originator.

Commonly, brokers main tasks include the development of commercial relationships with Retail Distributors (*Convenzionati*) and customers and the collection of documentation relating to finalised loan applications

Both centralized platform and brokers are not permitted to accept or approve any application, which must be left to the decision of the central approval structure .

#### *The commercial network*

As at 31 December 2013, the Originator employed 561 people. The Commercial Department's objective is to ensure that the Originator's product areas (Direct Business, Bank Products, Leasing and National Agreements) and the support areas (the Marketing Unit, the Call Centre and the Processing Area) all co-operate and interact with each other. In particular:

- within their own geographical business, the territorial areas must (i) guarantee that the branches develop in accordance with the strategies adopted by the top management and the Board of Directors; (ii) support the commercial activity of the branches; (iii) authorise commercial agreements with agreed Retail Distributors; and (iv) advise the Staff and Personnel Department in the staff selection process. The Manager of each branch reports directly to its District Manager;
- the Direct Loans Area focuses on personal loans and is responsible for the business planning, development and monitoring of such activities. Currently, every branch has at least one person fully dedicated to the development of the direct business;
- the National Agreements Area is in charge of the Originator's promotion, negotiation and management of certain partnership agreements with counterparts with the main aim to increase new business volumes in Automotive business, through a monitored and structured activity that allows the Bank to have a better cost efficiency and Risk control. The agreements are generally entered into with manufacturing companies and are generated both on a local basis (Italy) and on a central basis (Madrid). Among the others, at present, the most important Agreements are Hyundai, Mazda, Kia Motors, SSangyong, Mitsubishi, Yamaha, Harley-Davidson, KTM. These counterparts enter into the partnership agreements to promote sales by offering, through the Originator, financial services (i.e. consumer credit, Leasing and Stock Financing) to their customers/dealers. Interests paid by partners on campaigns are lower than under the usual consumer credit loans; in this way, consumer finance becomes a real support to increase sales. In some cases, Santander Consumer Bank acts like a real "Captive" partner (i.e. Hyundai, Kia Motors) and develops tailored products/operations in order to fit the needs of the Manufacturers.

## **Management**

The management of the Originator is carried out by the Board of Directors.

The current composition of the Board of Directors is the following:

<b>Position</b>	<b>Name</b>
Chairman	Ettore Gotti Tedeschi
Deputy Chairman	Ines Serrano Gonzalez
Director	Francisco Javier Anton San Pablo
Independent Director	Carlo Callieri
Director	Ernesto Zulueta Benito
Director	David Turiel Lopez
Managing Director/General Manager	Vito Volpe
Independent Director	Aldo Olcese Santonja

The Board of Directors has been appointed for a three-years period (2012-2014). The Board of Directors is vested with powers for the Originator's ordinary and extraordinary management, and may perform all required actions for the implementation and achievement of corporate objects, excluding those actions reserved by law to the Originator's shareholders' meeting. Therefore, it carries out all the Group's strategic policies, as well as the control and monitoring of the Originator's results. Furthermore, it is in charge of the definition, compliance and implementation of the corporate governance rules of the Originator.

The Board of Directors' meeting are called on monthly basis. In carrying out its mandate, the Board of Directors addresses and takes decisions concerning vital aspects of the bank's business, always in accordance with the strategic policies and stances of the Santander Group. In particular, it:

- determines short-term and medium-term management policies and approves strategic projects as well as corporate policies (strategic plan, operating plans, projects);
- identifies the bank's willingness to accept various types of risk according to expected business returns;
- approves capital allocation methods and the macro-criteria to be adopted in applying investment strategies;
- approves the budget and supervises general management policies;
- prepares the periodic reports on operations and the annual accounts, with the related proposals for allocation of the net income for the subsequent shareholders' meeting;
- examines and approves transactions with a major impact on operations, capital, cash flow and risk;
- reports to shareholders' meetings;
- approves the organisational structure and related regulations and supervises suitability in terms of business;
- approves the system of powers of attorney; and
- approves the audit plan and examining the results of the most significant actions.

According to the Originator's by-laws the Board of Directors is empowered to delegate, as permitted by law, some of its powers to a Managing Director/General Manager. The Chairman of the Board and, if appointed, the Deputy Chairman of the Board and the Managing Director/General Manager act as the company's legal representatives. The current top-management level of the Originator is described below:

<b>Position</b>	<b>Name</b>
Managing Director	Vito Volpe
Deputy General Manager in charge of the IT and Operations Dpt.	Guido Pelissero
Responsible for Planning and Administration Dpt.	Pedro Miguel Aguero Cagigas
Responsible for Sales and Marketing Dpt.	Pier Marco Alciati
Responsible for Risk Dpt.	Giulio Guida
Responsible for CBU Dpt.	Fernando Maria Janez Ramos
Responsible for Legal and Compliance Dpt.	Savino Casamassima
Responsible for Financial Management & Funding	Michele Di Rauso

The above-mentioned top managers are members of the Management Committee. The General Management carries out the following activities:

- liaising with the bodies of the Santander Group in drafting the strategic plan to be submitted to the approval of the Board of Directors, as well as in relation to all major management issues or for studies and projects of high strategic value;
- liaising with the bodies of the Santander Consumer Finance, S.A. controlling company in drafting operating plans that are subsequently submitted to the approval of the competent bodies and also monitoring of performance and issues regarding the various executive activities;
- supervision of global strategies application as resolved by the Board of Directors, verifying compliance of company operations with policies regarding investments and adoption of organisational resources and empowerment of personnel;
- identification and definition, according to the strategic guidelines defined by the Board of Directors, of repositioning of the organisational and governance model and of major projects to be submitted to the approval of the related administrative bodies and supervising application of these;
- formulation of preliminary analysis in order to define the risk management and performance targets of the various business activities;
- supervision of relationships and contacts with the markets and institutional investors; and
- promotion of actions able to reinforce corporate ethics as a mainstay of the internal and external conduct of the bank.

In particular, the Managing Director/General Manager, who participates at the meetings of the Corporate Bodies, is also responsible for taking the decisions regarding credit and, pursuant to the powers granted to him, represents the bank in legal actions and proceedings, liaises directly with the Statutory Auditors, the Independent Auditors and the Bank of Italy and orders routine inspections and administrative inquiries in accordance with the audit plan or as proposed by the competent authorities.

The appointment or revocation of the internal Committees, as well as their members, is determined by the Board of Directors. The Committee's Members operate jointly by co-operating and keeping themselves mutually informed on any important matter concerning their respective operating areas; the Managing Director/General Manager attends all the internal Committees. Pursuant to Italian law, the Shareholders have to appoint a Board of Statutory Auditors (*Collegio Sindacale*) which consists of three standing Statutory Auditors and two substitute Statutory Auditors.

The current composition of the Statutory Auditors is the following :

<b>Position</b>	<b>Name</b>
Chairman	Walter Bruno
Standing Auditor	Maurizio Giorgi
Standing Auditor	Stefano Caselli
Substitute Auditor	Marta Montalbano
Substitute Auditor	Luisa Giroto

According to the Originator's by-laws, the main tasks of the Board of Statutory Auditors include checking formal and substantial correctness of administrative activities; the Board is also entitled to liaise with the Supervisory Authorities and the Independent Auditors. The Board of Statutory Auditors performs its functions through direct audits and also by acquiring information from members of the Corporate Bodies and from representatives of the Independent Auditors.

In particular, the main activities of the Board of the Statutory Auditors include:

- supervising compliance with laws and the by-laws in accordance with the principles of correct administration;
- verifying the adequacy of the organisation model, with specific reference to efficiency and correct functioning of the internal control system;

- investigating major problems and issues highlighted during auditing and monitoring of the related corrective actions.

The Statutory Auditors are responsible for overseeing management and for the verification of compliance in accordance with applicable Italian law and the Originator's by-laws. They are also responsible for ensuring that the Originator's organisation, internal auditing and accounting systems are adequate and reliable. The Statutory Auditors has been appointed for a three-years period (2012-2014). They have to meet on a quarterly basis each year and are required by law to attend each Board of Directors' meeting. In accordance with applicable Italian regulations, the accounts of the Originator must be audited by external auditors appointed by the shareholders. The appointment has to be proposed by the Statutory Auditors. Deloitte & Touche S.p.A. has been appointed for a nine-years period (2010-2018) to audit the financial statements of the Originator.

### **Business and market approach**

Products currently offered by the Originator may be classified under the following six main categories:

- consumer credits (*ad hoc* loans);
- personal loans;
- car leasing;
- credit cards loans;
- savings deposits;
- assignment of one-fifth of salary.

On a historical basis and as of the date of this Prospectus in terms of volume, the core business is consumer credit. The Originator is looking, however, to develop further its relationships with borrowers and to enhance its own presence in other business areas whilst maintaining a conservative approach to its business.

#### *Consumer credit*

These are the simplest type of loans, i.e. those where the instalments (which are due on a monthly basis) remain the same along all for the life of the loan (the first instalment is due 20 to 37 days after the contract has been signed). Over the last decade, the Originator has gradually enlarged its product base in relation to these loans to be able to keep in line with its competitors' standards.

All loans have monthly instalments with payments due on the 1st or the 15th of each month. Middle-class families with medium to medium-low monthly incomes are the typical target of consumer credit services. The duration and average amount lent on loans of this nature depend on the products being financed: for example, the average terms of loans for cars and motorbikes are respectively 55 and 40 months with average financed amounts of € 11,703 and € 5,468; the average term for direct loans is about 69 months with an average financed amount of € 11,534. In any case, the financed amount must not exceed € 78.000 for a maximum duration of 120 months. Consumer credit loans may also be insured by the relevant debtor in favour of the Originator against the risk of death and temporary disability through primary insurance companies.

As shown in the table below (as at 31 December 2013), purpose loans may be divided into various classes having different characteristics:

<b>Financed product</b>	<i>Maximum term of the loan (month)</i>	<i>Maximum amount per loan (€)</i>	<i>Average amount per loan (€)(2013 new business)</i>	<i>Payment frequency</i>
<i>New vehicles:</i>				
Cars	90	78,000	12,958	Monthly
Motorcycles	60	31,000	5,468	Monthly

Caravans	126	78,000	24,997	Monthly
Boats	96	52,000	7,309	Monthly
<i>Used vehicles:</i>				
Cars	60	41,500	8,780	Monthly
Caravans	96	52,000	15,284	Monthly
<i>Other products:</i>				
Electric Appliances	60	31,000	3,685	Monthly
Furniture	84	31,000	4,365	Monthly
Personal Loans	72	20,000	11,534	Monthly

At 31 December 2013, the total amount of outstanding credits in the Italian domestic market amounted to approximately € 5,5 billion, according to the Assofin data-base. The Originator held a market share equal to 2.7% of the total Assofin business volumes.

#### *Personal Loans*

Personal loans are granted both for specified and general purposes.

As at 31 December 2013, personal loans represented approximately 19.0 per cent. of the Issuer's new business volume (compared to 34.8 per cent. for the same period in 2012). During 2013 the Issuer undertook an important process in order to optimize its business line profitability by introducing new processes and product features. At 31 December 2013 the Issuer's market share in the domestic market for personal loans stands at 1.5 per cent. (*Source: Assofin*).

#### *Car Leases*

The Originator provides finance for car purchasing through its finance lease activity both to companies and self-employees. The average maturity ranges from a minimum of 24 months up to a maximum of 60 months for new cars and new commercial vehicles.

Lease loans may also be insured by the relevant debtor in favour of the Originator against the risk of death and temporary disability through primary insurance companies.

During 2013, the Originator reshaped all the process of the leasing product in order to obtain more efficiency with great attention to IT infrastructures with particular reference to tools and instruments for the calculation of vehicle's buyback amount. For these reason, the new business generated was lower than the previous year. Having closed the renewal process on leasing product, the Originator is planning to enhance its leasing segment with a general boost on commercial proposal with the introduction of leasing on used vehicles both to private and companies.

#### *Credit cards*

Since 1997, the Issuer has provided credit cards to its customers particularly "revolving credit cards" and in a very small part "charge credit cards". During 2012 the Issuer undertook an important process in order to optimize its business line profitability by introducing the rationalization of its existing portfolio. This process will result in a general reduction of circulating credit cards and to a general improvement of the level of control of credit risk.

Between late 2012 and January 2013 the Issuer reorganised again its distribution channels, also as a result of the impact of new legislative measure. In particular, from February 2013, the distribution of credit cards has been limited to the branches of the bank.

#### *Marketing*



Marketing activities are different for direct and indirect distribution channels: for the first one, the main activity is direct marketing on existing customers in order to cross-sell personal loan products. During the last year, an even more strong collaboration with CRM Dpt. has brought to an higher efficiency in communication activity.

The reshape of media mix (mailing, SMS, direct e-mailing) with an increasing importance of communication on digital media has been one of the main goal of 2013 direct communication strategy.

Marketing activities for indirect channel are mainly focused on Retail Distributors (*Convenzionati*), who are the principal target of loyalty and incentive programs.

#### *Insurance*

The Issuer established an insurance department in September 2010 in order to focus on and promote its activities as an insurance intermediary.

As at 31 December 2013 the Issuer's insurance intermediary activities account for € 20,357 thousand in terms of net insurance commissions achieving the budget in term of key performance indicators. Mainly offered products in 2013 were Creditor Protector Insurance (auto loans and personal loans), Motor Insurance (linked to auto loans), Assistances (linked to personal loans).

#### *Salary Assignment*

Since May 2006, the Issuer offers salary assignment products through Santander Consumer Unifin SpA, an Italian company totally owned by Santander Consumer Bank. The business volumes generated by this category of credits amounted to € 334,074 thousand in 2012 and € 331,942 thousand in 2013. The new business volumes expected for 2014 are around € 430 million.

For these kind of loans, the monthly instalment is paid directly by the employers, a life and a jobless insurance coverage is mandatory by law and the credit outstanding is also guaranteed by the *Trattamento di Fine Rapporto*.

#### *Banking products*

As at 31 December 2013, there were 3.380 active "Saving accounts" with total deposits of € 95,157 thousand. A reduction in volume and number of customers compared to 2012 is explained by higher rates on fixed deposits offered by new products on the market.

The Issuer's "Time Deposits" products, which offers various rates of return to customers who make deposits for a pre-determined and fixed period of time (12 or 24 months) stood at 1.549 accounts as at 31 December 2013 with total deposits of € 167,283 thousand.

Regarding the product named "Faro" (exclusively offered to employees of the Issuer ), at 31 December 2013 there were 480 active accounts with total deposits of € 19,409 thousand.

Current accounts for the settlement of directed workflows and short-term management of cash, as well as settlement accounts for stock financing, product operations (financing of stocks of goods—new vehicles and motorbikes) represent part of the Issuer's core business. As at 31 December 2013, the Issuer had 272 active stock financing accounts and credit lines representing € 399,108 thousand.

#### **Guarantees and securities**

Contracts in respect of personal loans and purpose loans are mostly executed by the customer with one or more relatives (spouse and/or parents) or third parties acting as co-obligors. Sometimes the customer is required to sign a number of bills of exchange in favour of the Originator for a maximum agreed amount. Bills of exchange constitute title (*titolo esecutivo*) to commence proceedings directly against the client, without having to obtain a previous court order. Purpose loans financing the purchase of cars or other vehicles might be secured by mortgages (*ipoteca su beni mobili registrati* - mortgage over registered movable property) which can benefit from a mandate to register such mortgages in the public registers executed by the customer in favour of the Originator.

The following table shows a summary of various aspects of the business of the Originator:

<b>Outstanding</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Auto Loans	4.453.530.711	3.963.708.091	3.166.967.721	2.533.088.312	2.041.242.395
Purpose Loans	337.840.848	318.141.397	248.832.520	182.125.111	95.229.295
Personal Loans	2.097.233.260	2.317.133.534	2.409.240.520	2.253.451.524	1.853.253.844
Cards	160.296.048	136.570.040	120.687.748	98.563.713	50.052.469
Stock	93.592.862	81.094.899	183.217.936	103.895.608	80.821.398
Salary Assignment	744.283.104	1.122.239.534	1.522.079.229	1.539.701.118	1.590.618.283
<b>TOTAL</b>	<b>7.886.776.833</b>	<b>7.938.887.495</b>	<b>7.651.025.674</b>	<b>6.710.825.386</b>	<b>5.711.217.684</b>

The following financial information has been extracted from the Originator's 2009, 2010, 2011, 2012 and 2013 audited unconsolidated annual internal management reports, with proper allocation of results coming from the securitised portfolios.

#### **New Loans breakdown by business area**

<b>New Business (€/000)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
New Car	1.487.374	1.050.514	809.991	598.613	479.758
Used Car	338.989	271.116	215.107	156.600	131.363
<b>Cars</b>	<b>1.826.363</b>	<b>1.321.631</b>	<b>1.025.098</b>	<b>755.213</b>	<b>611.121</b>
Purpose Loans	229.915	187.987	137.824	98.351	14.406
Cards	134.971	114.227	102.010	87.261	23.978
Personal Loans	1.069.607	981.004	973.376	679.984	230.328
Salary Assignment	440.097	524.919	521.477	334.074	331.942
<b>TOTAL</b>	<b>3.700.953</b>	<b>3.129.769</b>	<b>2.759.784</b>	<b>1.954.883</b>	<b>1.211.775</b>

## THE CREDIT AND COLLECTION POLICIES

### *Credit policy*

#### **Origination sources**

Santander Consumer Bank S.p.A. originates consumer loans through different channels:

- Branches of Santander Consumer Bank S.p.A. and agencies

The company advances personal loans to customers directly on the premises and provides indirect assistance to the Retail Distributors (*Convenzionati*) on *ad hoc* loans.

- Retail Distributors (*Convenzionati*)

The majority of consumer loans granted by Santander Consumer Bank S.p.A. are originated through this channel, only in the form of *ad hoc* loans and loans granted for the purchase of new and second-hand vehicles. Loans are advanced to facilitate the purchase of an asset by customers. The process starts by gathering the application form, the information and the documents necessary for granting the loan, which are then sent by fax/e-mail to Santander Consumer Bank S.p.A. Alternatively, high-standing Retail Distributors (*Convenzionati*) send the relevant information of the applicant directly to Santander Consumer Bank S.p.A. by e-mail. The outcome of the loan application is sent either via the internet (immediately) or by fax (within four hours). The amount granted is paid to the Retail Distributor that supplies the asset to the relevant customer.

- Mailing/Marketing

Santander Consumer Bank S.p.A. customers having a record of timely meeting their payments are contacted by letter or call centre. Customers who have fully repaid a short- or mid-term loan or at least 40% of a long-term loan are offered a personal loan. The letter is accompanied by the contract. Then the customer contacts the call centre by phone in order to agree a repayment plan, signs the contract and sends it directly to Santander Consumer Bank S.p.A.

- Internet

These are personal loans whose application may be formalised by the customer directly through the website of Santander Consumer Bank S.p.A. or of Prestitutionline.

#### **Loan application**

The applicant is required to provide the following documents:

- application form, in a standard form set out by Santander Consumer Bank S.p.A. (the customer fills in the form and signs it);
- personal identification data: any document admitted under Presidential Decree no. 445 dated 28 December 2000, such as an ID card, a passport, representative administrators with foreign residence may apply on behalf of companies with their registered office in Italy and with a company search document (*visura camerale*) issued by the Chamber of Commerce not older than 90 days from the relevant loan application date) and a driving licence;
- Fiscal code;
- income certifications (save for certain promotional products and/or promotional campaigns):
  1. latest payslip for employees;
  2. latest income tax return for self-employed persons;
  3. latest pension slip/CUD/Modello730; or
  4. financial statement of the last financial year for companies; and
- loan information: characteristics of the loan (amount, term, interest rates, etc.).

## **Loan evaluation process**

For some products, the form and the data on the form are sent to outsourced companies (only for the purposes of registration); whereas, for other products the data on the form is directly sent to the headquarters of Santander Consumer Bank S.p.A. in Turin, where the application for loan is evaluated. The relevant loan application or the information on the loan application is sent via the internet, by fax or off-line to the head office of Santander Consumer Bank S.p.A. in Turin, where the evaluation is carried out. The creditworthiness of a potential customer is assessed on the following basis:

- allocation and approval of a "credit score";
- database searches.

Before that credit bureau, an analysis about socio-demographic and financial information is carried out through score grids.

### **Database checks**

Searches in several databases to find information on the creditworthiness of potential customers are carried out, and each database allows for different classification criteria and draws from different sources. Searches always concern potential customers and their guarantors.

Once the data from the relevant application form has been entered in the electronic information system, the system starts an automatic search in the following databases:

#### **Santander Consumer Bank S.p.A.'s database**

The analysis is carried out to check the customer's behaviour in relation to any previous loans granted by Santander Consumer Bank S.p.A. The main evaluation parameters include (i) the average number of overdue payments; and (ii) the analysis of the customer's past behaviour over a certain period of time, (iii) the residual amount and the financed amount. No sociological data are taken into account. Scores in this database are classified under three levels. Even when negative, the outcome of this search does not prejudice the search in the other databases.

#### **CTC (*Consorzio di Tutela del Credito*)**

Santander Consumer Bank S.p.A. carries out a search in this database managed by *Consorzio di Tutela del Credito* ("**CTC**") which is participated in by more than 90% of Italian financial institutions. Notification parameters are:

- Failure to pay one instalment only; only in the event that the latter remains unpaid on the 120<sup>th</sup> day after NEA (natural expiration of the agreement).
- Delay in payments of 2-3 instalments; the requirements for notification are met on the 120<sup>th</sup> day of delay from the due date for payment of the first instalment among those that have remained unpaid.
- Failure to pay 4 monthly instalments.

Currently, more than 1,000,000 records are on CTC's record as "negative positions".

#### **CRIF's database**

CRIF's database is managed privately and contains information on individuals who took out loans from Italian financial institutions (banks and finance companies) in the past. CRIF contains information about more than 36,000,000 positions. This database enables an evaluation of the total debt of the relevant individual towards the entire financial system, as well as any unpaid instalments and loan applications rejected by other banks.

#### **Experian**

The Experian database is the world's largest consumer credit database. In Italy, Experian ranks second as to the number of recorded positions (whether negative or positive). The information contained in this database is supplied by financial institutions, banks, mobile phone companies and insurance companies.

The consultation of the various databases is carried out simultaneously and additional variables may be taken into account (including telephone numbers and addresses).

For each database a score is assigned. These are summed in a weighted value which is further processed by the system.

The databases scores are then added to the score resulting from the socio-demographic and financial information and then used by the evaluation system in order to define the evaluation.

### The evaluation system

The final evaluation of the loan application is thus based on the quality of the loan application itself: Santander Consumer Bank S.p.A. assigns a score to each piece of information.

### The Credit Scoring System: the assignment of a score to each loan application

The credit scoring system is managed and developed by the Standardized Risk Department. Experian Decision Analytics have been working on the development and management of the credit scoring system in conjunction with Santander Consumer Bank S.p.A. since 1997.

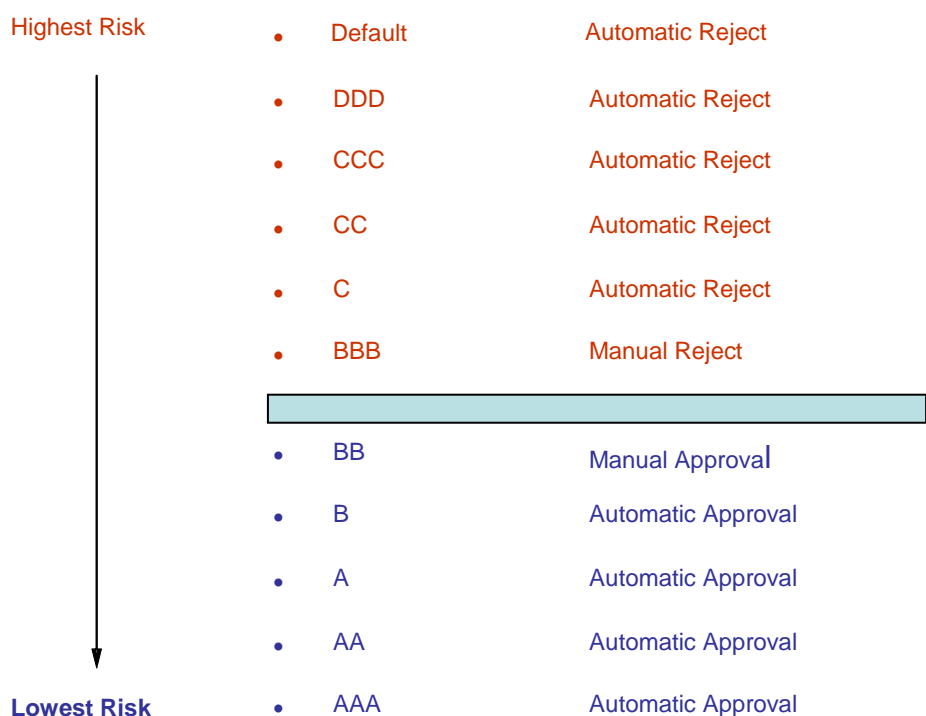
The credit scoring system is processed on the basis of Santander Consumer Bank S.p.A.'s experience since 1999. The system uses 13 scoring grids: 9 for individuals, 3 for companies, one for credit cards and 1 for collection & LGD. Each group of grids distinguishes between type of product, corporate designation, type of customer, goods' code:

Consumer Credit Individuals	Consumer Credit Companies
<p><b>• 8 Cards Master Niche</b></p> <ul style="list-style-type: none"> <li>&gt; New Car - Newcar12</li> <li>&gt; Used Car - UC</li> <li>&gt; Motorcycle - MCycle10</li> <li>&gt; Durables - Elettrod</li> <li>&gt; Forniture - Mobili08</li> <li>&gt; 2 for personal loan - PP, PPWeb</li> <li>&gt; Other products - Other10</li> </ul>	<p><b>• 3 Cards Master Niche</b></p> <ul style="list-style-type: none"> <li>&gt; Self-employed persons (Ditte individuali) - DIND</li> <li>&gt; Small companies (Società di persone) - SOPER</li> <li>&gt; Medium companies (Società di capitali) - SOCAP</li> </ul>
<p><b>Repeat Business Individuals</b></p> <ul style="list-style-type: none"> <li>• 1 Card Behavioural</li> <li>&gt; Existing Customer - Collection &amp; LGD</li> </ul>	<p><b>Credit Cards</b></p> <ul style="list-style-type: none"> <li>• 1 Card</li> <li>&gt; Credit cards - Carte09</li> </ul>

The grids have been developed on the basis of a number of variables, which may be classified under three main categories:

- sociological (age, marital status, occupation, etc.);
- loan-related (amount, instalments, instalments/income, number of instalments, term, type of payment etc.); and
- behavioural (customers' behaviour in respect of loan payments, acquired from various databases).

The grid is updated every two to three years or sometimes more often if inconsistencies appear during the periodical checks. A score is assigned to each variable considered. This credit scoring system produces a result, rating, for each loan application which is comprised between "AAA" and "Default"



Loan applications obtaining a negative score (and therefore rejected) may be overridden and accepted. However, branches have a monthly cap that they may not exceed, which limits their possibility to accept these loan applications. The cap is determined according to the risk level of the branch, calculated on an annual basis. Similarly, the officers of the branch may reject a loan application with a positive score if deemed necessary. The rejection of loan applications with a positive score is not limited by any cap.

Currently override can only be authorized by the Risk Department after request by local branches.

### Private and Self-employed

#### Authorisation levels

The table in the following pages describes the authorisation levels for Santander Consumer Bank:

Personnel Authorisation Levels	Purpose Loans	Furniture	New Cars	Used Cars
<b>LEVEL 10</b>	€1,500	€3,000	-	-
<b>LEVEL 20</b>	€3,000	€5,500	€8,000	€5,500
<b>LEVEL 30</b>	€5,500	€8,000	€13,000	€9,500
<b>LEVEL 40</b>	€8,000	€15,500	€18,500	€15,500
<b>LEVEL 50</b>	€15,500	€18,500	€26,000	€21,000
<b>LEVEL 60</b>	€21,000	€23,500	€36,500	€26,000
<b>LEVEL 70</b>	€26,000	€26,000	€46,500	€31,000
<b>LEVEL 80</b>	€31,000	€31,000	€62,000	€41,500

<b>LEVEL 90</b>	€78,000	€78,000	€78,000	€78,000
* Max Duration (months)	<b>60</b>	<b>84</b>	<b>90</b>	<b>60</b>
* Limit for single debit position	<b>€31,000</b>	<b>€31,000</b>	<b>€78,000</b>	<b>€41,500</b>

\*Index of self-employed persons

<b>Personnel Authorisation Levels</b>	<b>Motorcycle</b>	<b>New Caravan</b>	<b>Used Caravan</b>	<b>Personal Loans</b>
<b>LEVEL 10</b>	€2,000	-	-	-
<b>LEVEL 20</b>	€3,000	-	-	-
<b>LEVEL 30</b>	€5,500	€15,500	€10,500	€4,500
<b>LEVEL 40</b>	€8,000	€26,000	€21,000	€8,000
<b>LEVEL 50</b>	€15,500	€36,500	€31,000	€15,500
<b>LEVEL 60</b>	€21,000	€41,500	€36,500	€21,000
<b>LEVEL 70</b>	€26,000	€52,000	€41,500	€26,000
<b>LEVEL 80</b>	€31,000	€62,000	€52,000	€31,000
<b>LEVEL 90</b>	€78,000	€78,000	€78,000	€78,000
* Max Duration (months)	<b>60</b>	<b>126</b>	<b>96</b>	<b>120</b>
* Limit for single debit position	<b>€31,000</b>	<b>€78,000</b>	<b>€52,000</b>	<b>€52,000</b>

\*Index of self-employed persons

<b>Personnel Authorisation Levels</b>	<b>Credit Cards</b>	<b>Fin rent auto</b>	<b>Fin rent business related</b>	<b>and Leasing consumers</b>	<b>to Collection</b>
<b>LEVEL 10</b>	€1,500	-	-	-	-
<b>LEVEL 20</b>	€3,000	€8,000	€8,000	-	-
<b>LEVEL 30</b>	€5,500	€13,000	€13,000	15,494	-
<b>LEVEL 40</b>	€8,000	€18,500	€18,500	25,823	-
<b>LEVEL 50</b>	€15,500	€26,000	€26,000	36,152	-
<b>LEVEL 60</b>	€21,000	€36,500	€36,500	41,317	-
<b>LEVEL 70</b>	€26,000	€46,500	€46,500	51,646	31,000
<b>LEVEL 80</b>	€31,000	€62,000	€62,000	61,975	52,000
<b>LEVEL 90</b>	€78,000	€78,000	€78,000	200,000	200,000
* Max Duration (months)	<b>60</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>120</b>
* Limit for single debit position	<b>€31,000</b>	<b>€78,000</b>	<b>€30,000</b>	<b>€200,000</b>	

\*Index of self-employed persons

#### Companies

<b>Purpose Loans</b>	<b>Furniture</b>	<b>New Cars</b>	<b>Used Cars</b>	<b>Motorcycle</b>	<b>Fin rent business related</b>	<b>Leasing to VAT Holders</b>
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**Personnel  
Authorisation  
Levels**

<b>LEVEL 10</b>	-	-	-	-	-	-	-
<b>LEVEL 20</b>	-	-	-	-	-	-	-
<b>LEVEL 30</b>	€5,200	€7,800	€13,000	€9,500	€5,500	€13,000	13,000
<b>LEVEL 40</b>	€7,800	€13,000	€18,100	€13,000	€7,800	€18,100	18,100
<b>LEVEL 50</b>	€13,000	€15,500	€25,900	€15,500	€13,000	€25,900	25,900
<b>LEVEL 60</b>	€36,200	€36,200	€36,200	€21,000	€21,000	€36,200	36,200
<b>LEVEL 70</b>	€46,500	€46,500	€46,500	€26,000	€26,000	€46,500	46,500
<b>LEVEL 80</b>	€62,000	€62,000	€62,000	€31,000	€31,000	€62,000	62,000
<b>LEVEL 90</b>	€155,000	€155,000	€155,000	€155,000	€155,000	€155,000	250,000
* Max Duration (months)	<b>60</b>	<b>84</b>	<b>90</b>	<b>60</b>	<b>60</b>	<b>72</b>	<b>72</b>
* Limit for single debit position	<b>€155,000</b>	<b>€155,000</b>	<b>€155,000</b>	<b>€155,000</b>	<b>€155,000</b>	<b>€155,000</b>	<b>€250,000</b>

Limit for single debit position "Company": € 155,000

**Fin rent auto Leasing business related Boat new and used**

**Personnel Authorisation Levels**

<b>LEVEL 10</b>	-	-	-
<b>LEVEL 20</b>	-	-	-
<b>LEVEL 30</b>	13,000	13,000	9,500
<b>LEVEL 40</b>	18,100	18,100	13,000
<b>LEVEL 50</b>	25,900	25,900	15,500
<b>LEVEL 60</b>	36,200	36,200	21,000
<b>LEVEL 70</b>	46,500	46,500	26,000
<b>LEVEL 80</b>	62,000	62,000	31,000
<b>LEVEL 90</b>	155,000	155,000	155,000
* Max Duration (months)	<b>72</b>	<b>72</b>	<b>120</b>
* Limit for single debit position	<b>€155,000</b>	<b>€30,000</b>	<b>€155,000</b>

**Collection of credit**

On conclusion of the financing contract, the client can choose the method of reimbursement between Postal Payment Slip (Italian abbreviation BP) or Interbank Direct Debit (Italian abbreviation RID). Moreover, at any time throughout the term of the loan, the client has recognised the right to vary the manner of its reimbursement.

***RID (direct debit) procedure***



Given the strong interest in increasing as much as possible the percentage of contracts in which the mode of repayment is direct debit, Santander Consumer Bank has progressively implemented internal procedures with the aim of reaching the highest levels of efficiency.

The current procedure involves the use of RNI (the National Interbank Network) and *BancoPosta* network (for mutual clients) and other major banks (for mutual clients), to support the different phases of the management of collection. In detail:

- the client signs the authorisation to debit his bank account by direct debit, by placing his signature in a special box on the title page of the financing agreement;
- on loading onto the system, a message is prepared according to the technical standards required by current procedures, containing the personal details of the client and the particulars of his bank account; this message, through the National Interbank Network, is sent to the client's bank which, subject to verification of correctness/content match of the message, will activate the procedure;
- Still through the National Interbank Network and BancoPosta (for mutual clients), on average no more than 10 working days from receipt of the request message, the client bank sends to Santander Consumer Bank a message confirming activation or, alternatively, a message stating that activation is not possible (with identification code for the reason). A positive activation outcome in the first instance exceeds 90%;
- Activation not possible messages are immediately processed by Santander Consumer Bank in part under the Client Collections Service and partly using external structures coordinated and monitored by the After-Sales Call Centre depending on the various reasons given by the client's bank for the refusal of activation.

Once evidence of activation of the direct debit procedure has been obtained, in a manner consistent with applicable interbanking law, Santander Consumer Bank, through the National Interbank Network, presents the request for payment of each instalment to the client's bank with an advance generally between 5 and 20 days with respect to the due date, receiving the credit on the due date itself (or within the working day immediately following is the latter, if not a bank working day); within 15 days (on average 4 working days) after the expiration notice, Santander Consumer Bank receives through the National Interbank Network any message by which the outstanding client's bank announces its inability to charge the client's bank account. Such a message will contain a code for the reasons why the bank has not been able to finalise the payment.

Following the entry into force of the new European PSD legislation, the client has the right to have his own bank make the unresolved message available up to 6 weeks from its presentation.

#### *Postal payment slip*

If the client has opted for reimbursement by postal payment slip, after conclusion of a loan agreement, within 10 working days, *Postel* receives a request for printing and shipment to the client's home of a booklet of postal payment slips to be used in payment of all instalments due.

Each slip contains, in particular, the pre-printed indication of the number of the financing contract, the due date and the amount of the instalment to which it relates as well as the giro account number with Santander Consumer Bank to which the amounts to be paid are to be credited.

The client can make payment at any Post Office. Poste Italiane S.p.A. now enables very rapid receipt (average two/three days from the date of execution) of daily information about payments made by clients as well as obtaining availability of funds in their postal account just as quickly.

The electronic flow of information is processed by Santander Consumer Bank immediately it is received, and in fully automated mode. After this processing, the accounts of individual clients are updated, with the exception of some items (relating to payments not made using pre-printed slips, on average, a percentage equal to 5% of the cash received) which require manual processing by operators.

From February the 1<sup>st</sup>, 2014, the Originator has switched, with reference to direct debit and bank transfer, to the SEPA platform, according to the European regulatory framework.

### **The management of debt recovery**

The contracts of Santander Consumer Bank provide for payment of instalments between the 1<sup>st</sup> and 15<sup>th</sup> of each month. The detection of an expired due date and the institution of the recovery process occurs at the end of the 1st day of delay from the oldest outstanding debt (in the event of direct debit) and every day, or at the end of the 5th day of delay from the oldest outstanding (for postal payment slips).

The Collection Business Unit, which manages the consumer recovery portfolio, is divided into three structures:

- Massive Collection and Commercial Area, dealing with the recovery of Outstanding Loans with 1-180 DPD
- Late Collection which deals with the management of recovery after 180DPD and after Expiry of the Time Limit

Expiry of the Time Limit is considered to be a communication that Santander Consumer Bank sends to the debtor by registered mail by which it declares the contract to have been terminated due to default and the debtor has forfeited the benefit of the term and therefore payment of the entire loan is required, due and to become due, net of related future interest, this occurs when the debt has 360DPD

### **Massive collection and commercial area**

The first two structures manage the portfolio according to risk and during the membership phase. The criteria for the subdivision of items are as follows:

- 1 to 30 days late: all processes are managed by Massive Collection
- 30-90 days late: the risk is < € 15000.00 management is the responsibility of the Massive Collection service; if the risk is > € 15,000.00 it is managed by the Commercial Area
- 91 to 150 days late: the risk is < € 10,000.00 management is the responsibility of the Massive Collection service; if the risk is > € 10,000.00, its management is the responsibility of the Commercial Area
- 151 to 180 days late: all processes are managed by Massive Collection.

From the day of initiation of recovery, on the 30<sup>th</sup> day of delay, cases are processed as follows:

- sending of SMS on all items;
- Postel for cases with BP/direct-debit payment;
- direct-debit reissues for cases with this method of payment;
- accounting adjustments;
- for management relating to Massive Collection: Phone Collection launch activities through external recovery agencies, telephone contact is via specialist professionals who seek the client at all the addresses available on file. External agencies are constantly coordinated and monitored by personnel of Santander Consumer Bank;
- for the Commercial Department, Home activities are by Santander Consumer Bank staff and also through Home Collection activities by specialist operators who visit the client at all the addresses available on file. External agencies are constantly coordinated and monitored by internal Santander Consumer Bank's staff;

Later, in support of recovery, there may be sent (including at the discretion of the telephone operator) further SMS messages or telegrams. In addition, depending on the stage of management, mass actions are generated for sending reminder correspondence.

In the last phase of management, a written reminder is issued by a law firm.

The letters and telephone reminders continue until expiry of the 12th instalment (or a delay equal to approximately 360 days for completely expired contracts) upon which the debtor and any co-debtors are formally placed in forfeiture of the benefit of the terms (if the instalment payment plan has not yet expired) or notice given (when the last instalment of the original instalment payment plan has been reached) receiving the contract termination.

### **Late collection - individuals**

Late Collection is divided into two structures, out-of-court settlement and court litigation.

### **Post expiry of the time limit**

The contracts on which expiry of the benefit of the term or formal notice is sent (made around the 2nd of the month), are handled by the Post expiry of the time limit office for out-of-court recovery.

The contracts are divided by amount and geographical area and sent for telephone or home visit management entirely by external recovery agents.

During management, recovery of the loan also occurs through billed repayment plans, or through liquidation of assets.

### **Judicial litigation**

The Judicial Litigation Office acquires the items for which a characteristic situation is detected such as request of specific management, for example:

- 1) the loan holder of the financing, sole signatory, has died;
- 2) the loan holder is bankrupt or subject to other insolvency proceedings;
- 3) the loan holder is held in custody;
- 4) the loan holder has moved out of the country;
- 5) false income document;
- 6) identity theft, the borrower does not exist;
- 7) the vehicle which is the subject of financing is not registered at the PRA in the name of the loan holder or other signatories (this situation constitutes an irregularity of the Partner and legitimises request for payment both from the client and, alternatively, the Partner);
- 8) financed goods not delivered or totally non-functional or non-conforming (this case involves release of the loan holder and obligation of the Partner to cancel the item);
- 9) service funded not provided (as above);
- 10) revocation or termination validly exercised by the loan holder.

Debt recovery differs depending on the case in question and may be settled out of court, by telephone collection activities and written reminders or, where appropriate, be dealt with by the courts.

Notwithstanding the different management required depending on the particular facts of each case, may also be made by:

- requiring a repayment plan with or without bills
- repayment plans with a deferred payment.

### **Products for the management of a client in litigation**

The products used for the management of a client in litigation, i.e. clients who have at least one instalment outstanding are defined as follows:

**Queuing:** the possibility of deferring to the end of the original instalment payment plan, this product may be used on the original contract (self, finalised and personal loan) and on the restructured/refinanced product using the rules outlined in this manual.

**Restructuring:** of the loan when the case to be renegotiated expires in less than 90 days;

**Refinancing:** of the loan when the case to be renegotiated expires in more than 90 days.

The restructured and refinanced contract must retain the same counterparties

as the contract to be renegotiated, except in special cases of premature death or proven unavailability of the guarantor, who must be replaced with a secondary figure with equal profile and the same guarantees (e.g. bills, surety).

A bill of guarantee should also be requested if the analyst deems necessary.

### **Exclusions**

The products of restructuring, refinancing and queuing will be offered to clients only after careful evaluation of the client and in particular it is forbidden to:

1. restructure or refinance financing external to Santander Consumer Bank and for amounts in excess of the exposure currently in place with Santander Consumer Bank;
2. lose safeguards previously acquired;
3. restructure or refinance leasing, credit cards (if only such a product is present) and assignment of one fifth of salary;
4. restructure or refinance subjects who, at the end of the repayment plan, will be older than 75 years for men and 78 years for women;
5. restructure or refinance with an instalment repayment plan (duration) of more than 120 months;
6. restructure or refinance with the amount awarded being less than € 1,000;
7. restructure or refinance with an instalment amount of less than € 30;
8. restructure or refinance a previous loan with residual instalments of less than 3 (except in the case of balloon payments);
9. contact the client through marketing activities;
10. refinance the client with a new provision (new loan, auto, finalised, or personal loan) until the outstanding refinancing has completely finished.

### **Limits**

The queuing, restructuring and refinancing products shall not exceed the sum of 3 products in any of their forms, in a period of five years per client.

Also note that the minimum amount of the instalment must cover at least the ordinary interests of the new operation.

With regard to this rule the following is specified:

#### **Restructuring product**

The refinanced product must be more than 6 months old from the due date of the first instalment. This tool cannot be used at most once in twelve months and thrice in five years in the history of the product (max thrice in 5 years).

#### **Refinancing product**

The product refinanced must be more than 6 months old from the due date of the first instalment.

This tool cannot be used at most once in twelve months and thrice in five years in the history of the product (max thrice in 5 years).

#### **Queuing product**

The product refinanced by queuing must be more than 6 months old from the date of expiry of the first instalment.

Instalments in arrears at the end of the repayment plan cannot be greater than 2 instalments at the time of application of the product, 4 instalments over the 2 years and 6 instalments in the life of the product.

The client must demonstrate the ability to repay at least one instalment and, following queuing of two instalments, his position should be regularised.

Example:

Contract with 5 instalments, two instalments are queued, the remaining instalments must be paid by the client.

### **Criteria for determining the price of claims in litigation**

Santander Consumer Bank seeks to actively manage all items in dispute. This process requires the involvement of internal and external counterparties who from time to time ensure more effective management of these items in the best interests of the bank.

The mechanism of definition of fair value/price of a non-performing credit is usually defined by the remaining credit ("Exposure at Default" - EAD), which is reduced according to the actual cash flow expected.

In particular, the mechanism for determining the price is the expectations of recovery ("Recovery Rate" - RR), including also the cost of recovery ("Recovery Cost" - RC).

Of course such cash flow is updated at the internal rate of return defined (i), considering the period taken for cash flow (n).

This can be expressed by the following formula:

$$(EAD * RR) - RC * RR / (1 + i)^n$$

### **Late collection - legal entities**

Late Collection is divided into two structures, out-of-court settlement and court litigation.

### **Post-expiry of the time limit**

The contracts on which expiry of the benefit of the term or formal notice is sent (made around the 2nd of the month), are handled by the Post expiry of the time limit office for out-of-court recovery.

The contracts are divided by amount and geographical area and sent for telephone or home visit management entirely by external recovery agents.

During management, recovery of the loan also occurs through billed repayment plans, or through liquidation of assets.

### **Judicial litigation**

The Judicial Litigation Office acquires the items for which a characteristic situation is detected such as request of specific management, for example:

- 1) the loan holder of the financing, sole signatory, has died;
- 2) the loan holder is bankrupt or subject to other insolvency proceedings;
- 3) the loan holder is held in custody;
- 4) the loan holder has moved out of the country;
- 5) false income document;
- 6) identity theft, the borrower does not exist;
- 7) the vehicle which is the subject of financing is not registered at the PRA in the name of the loan holder or other signatories (this situation constitutes an irregularity of the Partner and legitimises request for payment both from the client and, alternatively, the Partner);

- 8) financed goods not delivered or totally non-functional or non-conforming (this case involves release of the loan holder and obligation of the Partner to cancel the item);
- 9) service funded not provided (as above);
- 10) revocation or termination validly exercised by the loan holder.

Debt recovery differs depending on the case in question and may be settled out of court, by telephone collection activities and written reminders or, where appropriate, be dealt with by the courts.

Notwithstanding the different management required depending on the particular facts of each case, may also be made by:

- requiring a repayment plan with or without bills
- repayment plans with a deferred payment.

### **Products for the management of a client in litigation**

The products used for the management of a "legal entity" client in litigation, i.e. clients who have at least one instalment outstanding, are defined as follows:

**Queuing:** This product, applied to the original contract, allows deferral of instalments at the end of the repayment plan, without these being changed in terms of amount.

**Restructuring:** of the loan when the case to be renegotiated expires in less than 90 days, by the redefinition of a new repayment plan on the original contract, which has as the financed value the remaining capital of the original loan, to which are applied various characteristics of duration or both of duration and rate.

**Refinancing:** of the loan when the case to be renegotiated expires in more than 90 days, by redefining a new repayment plan on the original contract, which has as the financed value the remaining capital of the original loan, to which are applied various characteristics of duration or of both duration and rate.

It is specified that, through these actions, it is not possible to remove/replace the secondary parties put in place at contract signing, as it is not possible to provide secondary guarantees other than the initial.

### **Exclusions**

The products of restructuring, refinancing and queuing will be offered to clients only after careful evaluation of the client and in particular it is forbidden to:

1. lose safeguards previously acquired;
2. restructure or refinance legal entities who present protests and/or adverse public data (court and registry of encumbrances);
3. restructure or refinance legal entities no longer in business activities;
4. restructure or refinance leasing, credit cards and assignment of one fifth of earnings.
5. restructure or refinance subjects, co-debtors/guarantors who, at the end of the repayment plan, are aged over 75 years for men and 78 years for women;
6. restructure or refinance with a repayment plan (duration) of more than 120 months;
7. restructure or refinance with residual capital of less than €1,000;
8. restructure or refinance with an instalment amount of less than €30;
9. restructure or refinance a loan with residual instalments of less than 3 (except in the event of balloon payments);
10. contact the client through marketing activities; and
11. refinance the client with a new provision (new loan, auto, durables, or personal loan) until the existing refinancing has completely finished.

## THE ISSUER

### Introduction

Golden Bar (Securitisation) S.r.l. (the "**Issuer**") is a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy under article 3 of the Securitisation Law on 12 September 2000. In accordance with the Issuer's by-laws, the corporate duration of the Issuer is limited to 31 December 2050 and may be extended by shareholders' resolution. The Issuer is registered with the companies' register of Turin under No. 13232920150 and with the register of the special purpose vehicles held by the Bank of Italy (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 29 aprile 2011*) under number 32474.9 and its tax identification number (*codice fiscale*) is 13232920150.

The legal and commercial name of the Issuer is Golden Bar (Securitisation) S.r.l. The registered office of the Issuer is at via Principe Amedeo, 11, 10123 Turin, Italy. The Issuer has no principal office different from the registered office. The telephone number of its registered office is +39 011 812 6939. The Issuer has no employees. The Issuer is a special purpose vehicle established for the purposes of issuing asset-backed securities and, accordingly, it may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

### Previous securitisation transactions

In accordance with the Securitisation Law, the Issuer has already engaged in:

- (a) a first securitisation transaction carried out in accordance with the Securitisation Law, completed on 22 December 2000 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of consumer loans acquired on a revolving basis from Santander Consumer Bank (formerly Finconsumo Banca S.p.A.) and (ii) the issue of asset-backed notes in an aggregate amount of € 361,540,000;
- (b) a second securitisation transaction carried out in accordance with the Securitisation Law completed on 28 June 2001 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of consumer loans acquired on a revolving basis from Santander Consumer Bank (formerly Finconsumo Banca S.p.A.) and (ii) the issue of asset-backed notes in an aggregate amount of € 258,300,000;
- (c) a securitisation transaction named "€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme" structured in the form of a programme and established by the Issuer in accordance with the Securitisation Law in March 2008. In the context of such programme, the Issuer has issued asset-backed notes in an aggregate amount of € 700,000,000;
- (d) a securitisation transaction named "€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme" structured in the form of a programme and established by the Issuer in accordance with the Securitisation Law in December 2008. In the context of such programme, the Issuer has issued asset-backed notes in an aggregate amount of € 750,000,000;
- (e) a securitisation transaction named the "€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme" structured in the form of a programme and established by the Issuer in accordance with the Securitisation Law in March 2004 (the "**Previous Programme 2004**"). Under the Previous Programme 2004, the Issuer has issued the following notes:
  - i. on 17 March 2004, the "€ 188,000,000 Series 1 2004 - Class A Limited Recourse Asset-Backed Notes due 2020", the "€ 8,000,000 Series 1 2004 - Class B Limited Recourse Asset-Backed Notes due 2020", the "€ 3,000,000 Series 1-2004 - Class C Limited Recourse Asset-Backed Notes due 2020" and the "€ 1,000,000 Series 1-2004 - Class D Limited Recourse Asset-Backed Notes due 2020", for an aggregate amount of € 200,000,000;
  - ii. on 9 December 2004, the "€ 470,000,000 Series 2 2004 — Class A Limited Recourse Asset-Backed Notes due 2021", the "€ 20,000,000 Series 2 2004 — Class A Limited Recourse

*Asset-Backed Notes due 2021*", the "*€ 7,500,000 Series 2 2004 — Class A Limited Recourse Asset-Backed Notes due 2021*" and the "*€ 2,500,000 Series 2 2004 — Class A Limited Recourse Asset-Backed Notes due 2021*", for an aggregate amount of € 500,000,000;

- iii. on 8 February 2006, the "*€ 658,000,000 Series 3 2006 - Class A limited recourse asset-backed notes due 2022*", the "*€ 28,000,000 Series 3 2006 - Class B limited recourse asset-backed notes due 2022*", the "*€ 10,500,000 Series 3 2006 - Class limited recourse asset-backed notes due 2022*", the "*€ 3,500,000 Series 3 2006 - Class D limited recourse asset-backed notes due 2022*", for an aggregate amount of € 700,000,000; and
- iv. on 31 January 2007, the "*€ 658,000,000 Series 4 2007 - Class A limited recourse asset-backed notes due 2023*", the "*€ 28,000,000 Series 4 2007 - Class B limited recourse asset-backed notes due 2023*", the "*€ 10,500,000 Series 4 2007 - Class C limited recourse asset-backed notes due 2023*" and the "*€ 3,500,000 Series 4 2007 - Class D limited recourse asset-backed notes due 2023*", for an aggregate amount of € 700,000,000.

All the notes set out above have been fully reimbursed by the Issuer and the relevant securitisation transactions have been unwound.

### **Previous Programme 2009**

The Issuer has also engaged in a further securitisation transaction named the "*€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme*" structured in the form of a programme and established by the Issuer in accordance with the Securitisation Law in December 2009 (the "**Previous Programme 2009**"). Under the Previous Programme 2009, the Issuer has issued the following notes: "*€ 648,000,000 Series 1 2009 GB IV Class A limited recourse asset-backed notes due 2026*", "*€ 124,000,000 Series 1 2009 GB IV Class B limited recourse asset-backed notes due 2026*" and "*€ 28,000,000 Series 1 2009 GB IV Class C limited recourse asset-backed notes due 2026*" for an aggregate amount of € 800,000,000.

In connection with the issuance of the Previous Programme 2009, one subordinated loan was extended to the Issuer for an amount of € 20,000,000 under a subordinated loan agreement entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 23 December 2009.

The subordinated loan above has been fully reimbursed by the Issuer.

On April, 19<sup>th</sup> the transaction has been amended to switch to fixed rate coupon with semi-annual payments. Contextually, a new subordinated loan has been extended to the Issuer for an amount of €50,000,000 under a new subordinated loan agreement. The subordinated loan above is still outstanding.

### **Previous Securitisation 2011-1**

The Issuer has also already engaged in securitisation transaction completed in March 2011 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of vehicle loans granted by Santander Consumer Bank and (ii) the issue of asset-backed notes in an aggregate amount of €600,000,000 (the "**Previous Securitisation March 2011**"). Under the Previous Securitisation March 2011, the Issuer has issued the following notes: "*€411,000,000 Class A – 2011-1 Asset-Backed Floating Rate Notes due 2025*", "*€ 129,000,000 Class B – 2011-1 Asset-Backed Floating Rate Notes due 2025*" and "*€ 60,000,000 Class C – 2011-1 Asset-Backed Notes due 2025*".

In connection with the issuance of the Previous Securitisation March 2011, a subordinated loan was extended to the Issuer for an aggregate amount of € 81,000,000 under a subordinated loan agreement entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 15 March 2011. The subordinated loan above is still outstanding.

### **Previous Securitisation 2011-2**

The Issuer has also already engaged in a securitisation transaction completed in October 2011 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of



performing loans (*finanziamenti*) consisting of purpose loans and personal loans granted by Santander Consumer Bank and (ii) the issue of asset-backed notes in an aggregate amount of €950,000,000 (the "**Previous Securitisation 2011-2**"). Under the Previous Securitisation October 2011, the Issuer has issued the following notes: "€ 532,000,000 Class A – 2011-2 Asset-Backed Floating Rate Notes due 2023", "€ 95,000,000 Class B –2011-2 Asset-Backed Floating Rate Notes due 2023" and "€ 323,000,000 Class C –2011-2 Asset-Backed Notes due 2023".

In connection with the issuance of the Previous Securitisation October 2011, a subordinated loan was extended to the Issuer for an aggregate amount of € 23,750,000 under a subordinated loan agreement entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 10 October 2011. The subordinated loan above has been fully reimbursed by the Issuer.

### **Previous Securitisation 2011-3**

The Issuer has also already engaged in securitisation transaction completed in November 2011 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of vehicle loans granted by Santander Consumer Bank and (ii) the issue of asset-backed notes in an aggregate amount of € 750,058,000 (the "**Previous Securitisation 2011 -3**"). Under the Previous Securitisation November 2011, the Issuer has issued the following notes: "€500,000,000 Class A - 2011-3 Asset-Backed Floating Rate Notes due 2025", " €210,058,000 Class B – 2011-3 Asset-Backed Floating Rate Notes due 2025".

In connection with the issuance of the Previous Securitisation November 2011, a subordinated loan was extended to the Issuer for an aggregate amount of € 14,201,160 under a subordinated loan agreement entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 17 November 2011. The subordinated loan above is still outstanding.

### **Previous Securitisation 2012-1**

The Issuer has also already engaged in a securitisation transaction completed in July 2012 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of purpose loans and personal loans granted by Santander Consumer Bank and (ii) the issue of asset-backed notes in an aggregate amount of €735,100,000 (the "**Previous Securitisation 2012-1**"). Under the Previous Securitisation July 2012, the Issuer has issued the following notes: "€ 527,000,000 Class A – 2012-1 Asset-Backed Fixed Rate Notes due 2024", "€ 56,500,000 Class B – 2012-1 Asset-Backed Fixed Rate Notes due 2024" and "€ 169,400,000 Class C –2012-1 Asset-Backed Notes due 2024".

In connection with the issuance of the Previous Securitisation July 2012, a subordinated loan was extended to the Issuer for an aggregate amount of € 33,750,000 under a subordinated loan agreement entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 23 July 2012. The subordinated loan above has been fully reimbursed by the Issuer.

### **Previous Securitisation 2012-2**

The Issuer has also already engaged in a securitisation transaction completed in October 2012 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of salary assignment loans granted by Santander Consumer Bank and originated through the activity of Unifin S.p.A. and (ii) the issue of asset-backed notes in an aggregate amount of €1,209,317,000 (the "**Previous Securitisation 2012-2**"). Under the Previous Securitisation October 2012, the Issuer has issued the following notes: "€ 955,360,000 Class A – 2012-2 Asset-Backed Fixed Rate Notes due October 2030", "€ 72,559,000 Class B –2012-2 Asset-Backed Fixed Rate Notes due October 2030" and "€ 181,398,000 Class C –2012-2 Asset-Backed Notes due October 2030".

In connection with the issuance of the Previous Securitisation October 2012, a subordinated loan was extended to the Issuer for an aggregate amount of € 54,418,925 under a subordinated loan agreement

entered into between the Issuer and Santander Consumer Bank as subordinated loan provider on 31 October 2012. The subordinated loan above is still outstanding.

### Previous Securitisation 2013-1

The Issuer has also already engaged in a transaction completed in November 2013 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of vehicle loans, purpose loans and personal loans granted by Santander Consumer Bank and (ii) the issue of asset-backed variable funding notes in an amount up to €1,000,000,000 (the "**Previous Securitisation 2013-1**"). Under the Previous Consumer Issue November 2013, the Issuer has issued the following notes: "*Up to € 1,000,000,000 Asset-Backed variable Funding Notes due 2035*".

Under the Previous Consumer Issue November 2013 has been issued an amount of €491,590,000.

### Previous Securitisation 2013-2

The Issuer has also already engaged in a transaction completed in November 2013 and involving (i) the acquisition of monetary claims and other connected rights arising from a portfolio of performing loans (*finanziamenti*) consisting of salary assignment loans granted by Santander Consumer Bank and originated through the activity of Unifin S.p.A. and (ii) the issue of asset-backed notes in an amount of €254,820,000 (the "**Previous Securitisation 2013-2**"). Under the Previous Salary Assignment Issue November 2013, the Issuer has issued the following notes: "*€ 254,820,000 Asset-Backed Notes due 2026*".

Pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

### Quotaholders

The authorised equity capital of the Issuer is € 10,000. The issued and paid-up equity capital of the Issuer is € 10,000. No other amount of equity capital has been agreed to be issued. The quotaholders of the Issuer (the "**Quotaholders**") and their equity interests are as follows:

<b>Quotaholders</b>	<b>Quota holding in the Issuer expressed in €</b>
Stichting Po River .....	3,000
Stichting Turin .....	7,000

To the best of its knowledge, the Issuer is not aware of direct or indirect ownership or control apart from its Quotaholders. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its Quotaholders in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

### Accounting treatment of the Claims

Pursuant to Bank of Italy regulations, the accounting information relating to the securitisation of the Claims 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*).

### Accounts of the Issuer

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 12 September 2000, and ended on 31 December 2000. Consequently, the first statutory accounts of the Issuer are those relating to the fiscal year ended in December 2000 and approved on 15 June 2001. The second statutory accounts are those relating to the fiscal year ended in December 2001 and approved on 24 June 2002. The third statutory accounts are those relating to the fiscal year ended in December 2002 and approved on 27 June 2003. The fourth statutory accounts are those relating to the fiscal year ended in December 2003 and approved on 27 April 2004. The fifth statutory accounts are those relating to the fiscal year ended in December 2004 and approved on 29 April 2005. The sixth statutory accounts are those relating to the fiscal year ended in December 2005 and approved on 24 April 2006. The seventh statutory accounts are those relating to the fiscal year ended in December 2006 and approved on 20 April 2007. The eighth statutory accounts are those relating to the fiscal year ended in December 2007 and approved on 22 April 2008. The ninth statutory accounts are those relating to the fiscal year ended in December 2008 and approved on 24 April 2009. The tenth statutory accounts are those relating to the fiscal year ended in December 2009 and approved on 23 April 2010. The eleventh statutory accounts are those relating to the fiscal year ended in December 2010 and approved on 22 April 2011. The twelfth statutory accounts are those relating to the fiscal year ended in December 2011 and approved on 23 April 2012. The thirteenth statutory accounts are those relating to the fiscal year ended in December 2012 and approved on 23 April 2013.

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December) but will not produce interim financial statements.

The auditors of the Issuer are Deloitte & Touche S.p.A. with offices at Galleria San Federico, 54, 10121 Turin, Italy, belonging to ASSIREVI — *Associazione Italiana Revisori Contabili* and registered in the special register (*albo speciale*) for auditing companies (*società di revisione*) provided for by article 161 of legislative decree No. 58 of 1998 (repealed by article 43 of Italian legislative decree No. 39 of 27 January 2010 but still in force, pursuant to the latter decree, until the entry into force of the implementing regulations to be issued by the Ministry of Economy and Finance pursuant to such decree). They have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Italy for each of the financial years ended on 31 December 2000, 31 December 2001, 31 December 2002, 31 December 2003, 31 December 2004, 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008, 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 respectively.

### **Principal activities**

The principal corporate objectives of the Issuer, as set out in article 4 of its by-laws (*statuto*), include the acquisition of monetary receivables for the purposes of securitisation transactions and the issuance of asset-backed securities or the obtaining of loans.

So long as any of the Notes remain outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided in the Terms and Conditions and the Transaction Documents, incur any other indebtedness for borrowed monies, engage in any activities except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person, convey or transfer its property or assets to any person, or increase its equity capital.

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

### **Directors and statutory auditors of the Issuer**

The current sole director (*amministratore unico*) of the Issuer is:

<i>Name</i>	<i>Address</i>	<i>Principal activities</i>
Mr Tito Musso <i>Sole director</i>	Corso Soleri No. 3 12100 Cuneo (CN)	registered accountant in the Republic of Italy

Mr Tito Musso was appointed on 12 September 2000 for an undetermined period of time.

The Issuer has no statutory auditors.

### Capitalisation and indebtedness statement

The capitalisation and indebtedness of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes taking place on 11 June 2014, are as follows:

	(€)
<b>Issued equity capital</b>	
€10,000 fully paid up.....	10,000
	10,000
<b>Indebtedness</b>	
<i>Notes issued on the Previous Programme 2009</i>	
€648,000,000 Series 1 2009 Class A Limited Recourse Asset-Backed Notes due 2026	455,319,165.87
€124,000,000 Series 1 2009 Class B Limited Recourse Asset-Backed Notes due 2026	124,000,000
€28,000,000 Series 1 2009 Class C Limited Recourse Asset-Backed Notes due 2026	28,000,000
<i>Notes issued under the Previous Securitisation 2011-1</i>	
€ 411,000,000 Class A – 2011-1 Asset-Backed Floating Rate Notes due 2025	53,331,317.03
€ 129,000,000 Class B – 2011-1 Asset-Backed Floating Rate Notes due 2025	129,000,000
€ 60,000,000 Class C – 2011-1 Asset-Backed Notes due 2025	60,000,000
<i>Notes issued under the Previous Securitisation 2011-2</i>	
€ 532,000,000 Class A – 2011-2 Asset-Backed Floating Rate Notes due 2023	150,633,374.08
€ 95,000,000 Class B – 2011-2 Asset-Backed Floating Rate Notes due 2023	95,000,000
€ 323,000,000 Class C – 2011-2 Asset-Backed Notes due 2023	323,000,000
<i>Notes issued under the Previous Securitisation 2012 -1</i>	
€ 527,200,000 Class A – 2012-1 Asset-Backed Fixed Rate Notes due 2024	235,208,069.14
€ 56,500,000 Class B – 2012-1 Asset-Backed Fixed Rate Notes due 2024	56,500,000
€ 169,400,000 Class C – 2012-1 Asset-Backed Notes due 2024	169,400,000
<i>Notes issued under the Previous Securitisation 2012 -2</i>	
€ 955,360,000 Class A – 2012-2 Asset-Backed Fixed Rate Notes due October 2030	598,180,703.23
€ 72,559,000 Class B – 2012-2 Asset-Backed Fixed Rate Notes due October 2030	72,559,000

€ 181,398,000 Class C – 2012-2 Asset-Backed Notes due October 2030	181,398,000
<i>Notes Issued Under the Previous Securitisation 2013 -1</i>	
Up to € 1,000,000,000 Asset-Backed Variable Funding Notes due 2035	518,991,200
<i>Notes issued under the Previous Securitisation 2013 -2</i>	
€ 254,820,000 Asset-Backed Notes due 2026	227,418,750.86
<i>Subordinated loans granted to the Issuer in the context of the Previous Programme 2009</i>	
€20,000,000 subordinated loan	0
€50,000,000 subordinated loan issued in April 2013	43,982,175.25
<i>Subordinated loans granted to the Issuer in the context of the Previous Securitisation 2011-1</i>	
€81,000,000 subordinated loan	49,019,260.84
<i>Subordinated loan granted to the Issuer in the context of the Previous Securitisation 2011-2</i>	
€23,750,000 subordinated loan	0
<i>Subordinated loans granted to the Issuer in the context of the Previous Securitisation 2012-1</i>	
€33,750,000 subordinated loan	0
<i>Subordinated loans granted to the Issuer in the context of the Previous Securitisation 2012-2</i>	
€54,418,925 subordinated loan	0
Total notes and subordinated loans outstanding .....	3,526,958,841.05

Save for the foregoing and the Issuer's costs and expenses of incorporation and operation that have been incurred by the Issuer to date, as at the Issue Date, the Issuer will not have borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees, or other contingent liabilities.

#### **Financial information relative to the Issuer as at 31 December 2011 and 31 December 2012**

##### **Balance Sheet**

Balance Sheet	2011	2012
Due from banks	11,434	11,371
Tax assets	214,071	171,563
Other assets	298,360	241,404
<b>TOTAL ASSETS</b>	<b>523,865</b>	<b>424,338</b>
Tax liabilities	3,187	5,135
Other liabilities	509,257	408,014
Shareholders' equity	10,000	10,000
Legal reserve	1,639	1,421
Net income (losses)	-218	-232
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>523,865</b>	<b>424,338</b>

### Profit and Loss

Profit and Loss	2011	2012
Interest income and similar revenues	-81	-121
Other operating expenses/income	581,965	488,988
Administrative costs	-558,439	-479,170
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>23,445</b>	<b>9,697</b>
Income taxes	-23,663	-9,929
<b>NET INCOME (LOSSES) FOR THE YEAR</b>	<b>-218</b>	<b>-232</b>

## THE BNP PARIBAS GROUP

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 31 December 2013 BNP Paribas Securities Services has USD 8,055 billion of assets under custody, USD 1,442 billion assets under administration, 7,067 administered funds and 8,225 employees.

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

<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
Short term F1	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt A1	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook Negative

As of the date hereof, each of S&P and Fitch is established in the European Union and is registered under the CRA Regulation.

BNP Paribas Securities Services, Milan Branch shall act as Paying Agent, Custodian Bank, Computation Agent and Representative of the Noteholders under the Cash Allocation, Management and Payments Agreement.

BNP Paribas Securities Services, London Branch shall act as Account Bank under the Cash Allocation, Management and 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.***

## THE HEDGING COUNTERPARTY

### Abbey National Treasury Services

Abbey National Treasury Services plc ("**ANTS**") is a public limited liability company incorporated and registered in England and Wales under the Companies Act 1985.

ANTS was incorporated on 24 January 1989 with registered number 2338548, is regulated by the FCA and the PRA, and is an authorised person with permission to accept deposits under the FSMA. Its registered office is at 2 Triton Square, Regent's Place, London NW1 3AN. As at the date of this Prospectus, the telephone number for ANTS's registered office is +44 (0) 870 607 6000.

ANTS is a direct wholly-owned subsidiary of Santander UK, plc.

ANTS provides treasury, corporate and wholesale banking services. ANTS provides these services to UK clients and also to the wider Santander UK group, of which ANTS forms a significant part. ANTS is also the treasury support function for the Santander UK group.

The management structure of ANTS consists of three main business divisions, organised as follows.

Commercial Banking – offers a wide range of products and financial services to UK companies. Commercial Banking products and services include loans, bank accounts, deposits, and treasury services. The Large Corporates business offers specialist treasury services in fixed income and foreign exchange, lending, transactional banking services, capital markets and money markets to large multinational corporate customers. Lending includes syndicated loans and structured finance. Transactional banking includes trade finance and cash management. Money market activities include securities lending/borrowing and repos.

Markets – offers risk management and other services to financial institutions, as well as other Santander UK divisions. Its main product areas are fixed income and foreign exchange, equity, capital markets and institutional sales.

Corporate Centre – consists of Financial Management and Investor Relations (FM&IR) and the non-core portfolios of social housing loans and structured credit assets. FM&IR is responsible for managing capital and funding, balance sheet composition, structural market risk and strategic liquidity risk for the rest of the Santander UK group. The non-core portfolios are being run-down and/or managed for value.



## USE OF PROCEEDS

The estimated net funds available to the Issuer on the Issue Date consisting of the amount to be drawn down by the Issuer under the Subordinated Loan Agreement, in an amount equal to € 18,830,000, will be applied by the Issuer on the Issue Date:

- (a) to credit € 30,000 to the Expenses Account; and
- (b) to credit € 18,800,000 to the Cash Reserve Account.

Pursuant to the Underwriting Agreement, the Issuer and Santander Consumer Bank (in its capacity as Subscriber) have agreed that the proceeds from the issue of the Notes will be offset against the Purchase Price payable by the Issuer to Santander Consumer Bank on the Issue Date as consideration for the purchase of the Claims comprised in the Initial Portfolio pursuant to the Master Transfer Agreement.

## DESCRIPTION OF THE MASTER TRANSFER AGREEMENT

*The description of the Master Transfer Agreement set out below is a summary of certain features of the agreement and is qualified by reference to the detailed provisions of the Master Transfer Agreement. Prospective Noteholders may inspect a copy of the Master Transfer Agreement upon request at the registered office of the Representative of the Noteholders.*

### General

On the Initial Execution Date the Originator and the Issuer entered into the Master Transfer Agreement under which they agreed the terms and conditions for the assignment and transfer from the Originator to the Issuer of the Portfolios of the Claims owed to the Originator by the Borrowers thereunder, pursuant to the relevant Loan Agreements entered into between the Originator and such Borrowers.

Each assignment and transfer of Claims under the Master Transfer Agreement was made (in case of the Initial Portfolio) and will be made (in case of each Subsequent Portfolio) without recourse (*pro soluto*) and regulated by articles 1 and 4 of the Securitisation Law.

In accordance with the provisions of the above mentioned articles 1 and 4 of the Securitisation Law, the assignment and transfer of each Portfolio will become enforceable against the relevant Borrowers assigned debtors upon completion of the following perfection formalities:

- (i) the publication of a notice of the assignment of the relevant Portfolio in the Official Gazette; and
- (ii) the registration of such assignment in the Issuer's Companies Register.

The completion of the above perfection formalities will trigger also the application of other provisions of the Securitisation Law aimed at securing and protecting the interests of the Issuer and of the Noteholders. The most important of such provisions are (a) the perfection of the statutory segregation over the relevant assigned Claims in favour of the Noteholders; and (b) the automatic transfer in favour of the Issuer, of all the privileges and guarantees relating to such Claims without the need of any other formality or annotation. For further details, see the section entitled "*Selected aspects of Italian Law*".

Notice of the assignment of the Initial Portfolio to the Issuer from the Originator pursuant to the Master Transfer Agreement, was (i) published in the Official Gazette No. 54, Part II, of 8 May 2014 and (ii) registered in the Issuer's Companies Register on 13 May 2014.

### Initial Portfolio and Subsequent Portfolios

Under the Master Transfer Agreement the Originator (i) assigned and transferred to the Issuer, and the Issuer has purchased from the Originator, the Initial Portfolio on the Initial Execution Date and (ii) may assign and transfer to the Issuer, and the Issuer shall purchase from the Originator, Subsequent Portfolios on a quarterly basis during the Revolving Period, subject to the terms and conditions thereunder.

If any of the Purchase Termination Events occurs and, thereafter, a Purchase Termination Notice is served by the Representative of the Noteholders in accordance with the Terms and Conditions, then the Revolving Period will be early terminated and, accordingly, the Originator may not assign and transfer to the Issuer, and the Issuer shall not purchase from the Originator, any further Subsequent Portfolios.

For further details, see Condition 15 (*Purchase Termination Events*) of the section entitled "*Terms and Conditions of the Notes*".

### Purchase Price

As consideration for the purchase of the Claims comprised in each Portfolio, the Issuer shall pay to the Originator the Purchase Price, being equal to the aggregate sum of the Individual Purchase Prices of all the Claims comprised in the relevant Portfolio.

The Individual Purchase Price of the Claims relating to each Loan is equal to the relevant Outstanding Principal as at the relevant Valuation Date.

The Purchase Price of the Initial Portfolio is equal to € 752,046,350.66, (such amount having been rounded down to € 10,000) and, subject to the terms and conditions of the Master Transfer Agreement, will be paid by the Issuer to the Originator on the Issue Date out of the proceeds of the Notes.

Subject to the terms and conditions of the Master Transfer Agreement, the Purchase Price of each Subsequent Portfolio will be paid by the Issuer to the Originator on the relevant Subsequent Transfer Date out of the Principal Available Funds in accordance with the applicable Priority of Payments as follows.

No interest shall accrue on any amount due as Purchase Price in respect of any of the Portfolios assigned and transferred to the Issuer under the Master Transfer Agreement.

### **Eligibility Criteria and Purchase Price Adjustment**

The Claims comprised in each Portfolio and the other rights inherent and accessory thereto represent (in case of the Initial Portfolio) and will represent (in case of each Subsequent Portfolio) monetary claims identifiable as a pool (*crediti pecuniari individuabili in blocco*), pursuant to and for the effects of the combined provisions of article 1 and article 4 of the Securitisation Law. In particular, the Claims comprised in the Initial Portfolio have been identified on the basis of the Initial Criteria and the Claims which will be comprised in each Subsequent Portfolio shall be identified on the basis of the Subsequent Criteria. For further details, see the section "*The Aggregate Portfolio*".

In accordance with such provisions, the Master Transfer Agreement provides that:

- (a) if, after the assignment and transfer of a Portfolio, it transpires that any claim included in the Initial Portfolio (or a Subsequent Portfolio, as the case may be) did not meet the relevant Eligibility Criteria as of the relevant Valuation Date, then any such claim will be deemed not to have been assigned and transferred to the Issuer pursuant to the Master Transfer Agreement; and
- (b) if, after the assignment and transfer of a Portfolio, it transpires that any Claim meeting the relevant Eligibility Criteria as of the relevant Valuation Date has not been included in the Initial Portfolio (or in a Subsequent Portfolio, as the case may be), then any such Claim will be deemed to have been assigned and transferred to the Issuer pursuant to the Master Transfer Agreement.

The Purchase Price of the relevant Portfolio shall be then adjusted, in accordance with the provisions of the Master Transfer Agreement, provided that any amounts due and payable by the Issuer to the Originator, as 'Purchase Price' adjustment, will be paid out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

### **Undertakings**

The Master Transfer Agreement also contains a number of undertakings by the Originator in respect of its activities relating to the Claims. The Originator undertakes, *inter alia*, not to assign or transfer the Claims to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Claims, in whole or in part during the period comprised between (i) the Initial Execution Date, as per the Initial Portfolio, and the relevant offer date as per each Subsequent Portfolio and (ii) the date on which the relevant publication in the Official Gazette and registration in the Issuer's Companies Register has been made.

### **Call Option**

Under the Master Transfer Agreement the Issuer granted to the Originator the Call Option pursuant to which, the Originator may repurchase from the Issuer (in whole but not in part) all the Receivables comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option, starting from the earlier of the following dates: (a) the date on which the Portfolio Outstanding Amount is equal to, or

less than, 10% of the Initial Portfolio Outstanding Amount and (b) the date on which the Principal Amount Outstanding of the Notes is equal to, or less than, 10% of such Principal Amount Outstanding as of the Issue Date.

**Governing Law**

The Master Transfer 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.

## DESCRIPTION OF THE SERVICING AGREEMENT

*The description of the Servicing Agreement set out below is a summary of certain features of that agreement and it is qualified by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement at the registered office of the Representative of the Noteholders.*

### General

On the Initial Execution Date the Issuer and Santander Consumer Bank entered into the Servicing Agreement, pursuant to which the Issuer appointed Santander Consumer Bank as Servicer of the Claims and the Servicer has agreed to administer and service the Aggregate Portfolio on behalf of the Issuer and, in particular, to (i) collect and recover amounts due in respect of the Claims; (ii) administer relationships with the Borrowers; and (iii) carry out certain activities in relation to the Claims, in accordance with the Servicing Agreement.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Collections Policy certain activities related to the management of the Defaulted Claims, including activities in connection with the enforcement and recovery of such Defaulted Claims.

### Obligations of the Servicer

The Servicer is responsible for the receipt of cash collections in respect of the Loans and Claims and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-bis, of the Securitisation Law, the Servicer is also responsible for ensuring that such activities comply with the provisions and regulations of Italian law. The Servicer has undertaken in relation to each of the Loans and related Claims to perform, *inter alia*, the following activities:

- (a) collect the Collections and to credit them to the Collection Account within one Business Day of the day of receipt (for value such day of receipt) by the Servicer, *provided that*, in the case of exceptional circumstances causing an operational delay in the transfer, the relevant Collections will be transferred in any case into the Collection Account within three Business Days of the day of receipt;
- (b) strictly comply with the Servicing Agreement and the Collection Policies;
- (c) carry out the administration and management of such Claims and initiate and to manage any possible judicial proceedings and bankruptcy or insolvency proceedings regarding the Borrowers in accordance with the best professional standards (*massima diligenza e correttezza professionale*);
- (d) comply with the laws and regulations applicable in the Republic of Italy in carrying out activities under the Servicing Agreement;
- (e) maintain effective accounting and auditing procedures so as to ensure compliance with the provisions of the Servicing Agreement;
- (f) save where otherwise provided for in the Collection Policies or other than in certain limited circumstances specified in the Servicing Agreement (as, for example, in the case of out-of-court settlements), not to consent to any waiver or cancellation of or other change prejudicial to the Issuer's interests in or to the Claims and any other real or personal security or remedy under or with respect to such Loan unless it is ordered to do so by an order of a competent judicial or other authority or authorised to do so by the Issuer and the Representative of the Noteholders.

Furthermore, pursuant to the Servicing Agreement, the Servicer is responsible for interpreting, considering and managing autonomously the issues arising out of the application of the Usury Law, by using professional due diligence. Likewise, the Servicer, in the performance of the relative collection and recovery activities, must not breach the Usury Law.

## **Amendments to the Collection Policies**

The Servicer may amend the Collection Policies: (i) without any prior authorisation, provided that such amendments are required as consequence of mergers or restructuring transactions relating to the Servicer as part of the Santander Group. Such amendments must be submitted in advance to the Issuer, DBRS, Moody's and the Representative of Noteholders; and (ii) in respect of limited amendments required to comply with the current procedures adopted by the Servicer and for the benefit of the Issuer with the only purpose of speed up the collections procedures and the recovery of the Claims provided that such amendments do not affect the ratings of the Notes. The Servicer has undertaken to submit such amendments made during the previous Collection Period to the Issuer, the Representative of Noteholders and DBRS and Moody's.

## **Inspections**

The Issuer has the right to inspect and take copies of the documentation and records relating to the Claims in order to verify the activities undertaken by the Servicer, provided that the Servicer has been informed reasonably in advance of any such inspection.

## **No recourse**

The Servicer has acknowledged and accepted that, pursuant to the terms of the Servicing Agreement, it will not have any recourse against the Issuer for any damages, claims, liabilities or costs incurred by it as a result of the performance of its activities under the Servicing Agreement, except as may result from the Issuer's wilful default (*dolo*) or gross negligence (*colpa grave*).

## **Sale of Defaulted Claims**

Pursuant to the Servicing Agreement, the parties agree that for the benefit of the Noteholders and *provided that* the conditions set forth in the Servicing Agreement are met, (a) Santander Consumer Bank acting as Servicer has the right, but is not bound, to purchase Defaulted Claims and (b) the Servicer may sell to third parties, on behalf and in the name of the Issuer, such Defaulted Claims, in each case, in accordance with and subject to the terms and conditions of the Servicing Agreement.

## **Delegation of activities**

The Servicer is entitled to delegate, to one or more companies fulfilling the prerequisites set forth in the Servicing Agreement, certain activities entrusted to it as Servicer pursuant to the Servicing Agreement, as far as Defaulted Claims and Arrear Claims are concerned. The Servicer will remain directly responsible for the performance of all duties and obligations delegated to any such company and will be liable for the conduct of all of them.

## **Reporting requirements**

The Servicer has undertaken to prepare and submit the Servicer Report to, *inter alios*, the Issuer, the Representative of the Noteholder, the Subscriber, DBRS, Moody's, the Arranger, the Account Bank and the Computation Agent on each Servicer Report Date. The Servicer Reports will contain information as to the Aggregate Portfolio and the Claims comprised thereunder.

Moreover, the Servicer has undertaken to furnish to the Issuer, DBRS, Moody's, the Representative of the Noteholders, the Corporate Services Provider and the Computation Agent such further information as any of them may reasonably request with respect to the relevant Claims and/or the related Proceedings.

## **Remuneration of the Servicer**

In return for the services provided by the Servicer in relation to the ongoing management of the Portfolio and as reimbursement of expenses, on each Payment Date and in accordance with the applicable Priority of Payments, the Issuer will pay the Servicer the following amounts:

- (a) a quarterly fee equal to 0.125% (inclusive of VAT, where applicable) of the principal amount outstanding of the Claims (with the exception of those Claims which qualify as Defaulted Claims) on the first Business Day of the immediately preceding Collection Period, according to the information contained in the Servicer Report;

- (b) a quarterly fee equal to 6% (inclusive of VAT, where applicable) of the Collections deriving from the Claims classified as Defaulted Claims (excluding any purchase price received in relation to the sale of any Defaulted Claims) during the immediately preceding Collection Period, according to the information contained in the Servicer Report; and
- (c) an annual fee of € 13,000 plus VAT (to the extent applicable) payable by the Issuer on the first Payment Date of each year in connection with certain compliance and consultancy services provided by the Servicer pursuant to the Servicing Agreement.

#### **Termination and resignation of the Servicer and withdrawal of the Issuer**

The Issuer may terminate the appointment of the Servicer (*revocare il mandato*), pursuant to article 1725 of the Italian Civil Code, or withdraw from the Servicing Agreement (*recesso unilaterale*), pursuant to article 1373 of the Italian Civil Code, upon the occurrence of, *inter alia*, any of the following events:

- (a) the Bank of Italy has proposed to the Minister of Economy and Finance to admit the Servicer to any insolvency proceeding or a request for the judicial assessment of the insolvency of the Servicer has been filed with the competent office or the Servicer has been admitted to the procedures set out in articles 74 and 76 of the Banking Act, or a resolution is passed by the Servicer with the intention of applying for such proceedings to be initiated;
- (b) failure on the part of the Servicer to deliver and pay any amount due under the Servicing Agreement within five Business Days of the date on which such amount became due and payable;
- (c) failure on the part of Santander Consumer Bank, in its capacity as Servicer or otherwise, once a, respectively,
  - (i) 10-Business Day notice period, with respect to the termination and/or withdrawal from the Servicing Agreement, or
  - (ii) five-Business Day notice period, with respect to the right of the Issuer to rescind (*risolvere*) the Servicing Agreement,
 has elapsed, to observe or perform in any respect any of its obligations under the Servicing Agreement, the relevant Warranty and Indemnity Agreement, the Master Transfer Agreement or any of the Transaction Documents to which Santander Consumer Bank is a party, which could jeopardise the fiduciary relationship between the Servicer and the Issuer;
- (d) a representation given by Santander Consumer Bank, in its capacity as Servicer or otherwise, pursuant to the terms of the Servicing Agreement, is verified to be inaccurate, and this could have a substantial negative effect on the Issuer and/or the Securitisation;
- (e) the Servicer's Owner ceases to be the sole shareholder of Santander Consumer Bank acting as Servicer;
- (f) the Servicer's Owner ceases to be rated by any of DBRS or Moody's or the Servicer's Owner's long-term, unsecured and unsubordinated debt obligations cease to be rated at least "Ba1" by Moody's;
- (g) the Servicer changes significantly the departments and/or the resources dedicated to the recovery of the Claims and the management of the Proceedings and such change, in the reasonable opinion of the Representative of the Noteholders and the Issuer, leads to the belief that the fiduciary relationship between the Servicer and the Issuer concerning the possibility or ability of the Servicer to perform the obligations it has assumed under the Servicing Agreement has been terminated; or
- (h) the Servicer does not meet the requirements provided by law or by the Bank of Italy for the entities appointed as servicer in a securitisation transaction or the Servicer does not meet any further requirement which may be requested in the future by either the Bank of Italy or any other competent authority.

Upon the occurrence of the events listed under (b), (c) or (d) above, the Issuer is also entitled to rescind (*risolvere*) the Servicing Agreement in accordance with article 1456 of the Italian Civil Code.

The termination of the appointment of a Servicer, prior to being communicated to the Servicer, shall be communicated by the Issuer in writing to DBRS, Moody's and the Representative of the Noteholders.

Moreover, the Servicer is entitled to withdraw from the Servicing Agreement, at any time after 12 months of the Initial Execution Date, by giving at least 12 months' prior written notice to that effect to the Issuer, the Representative of the Noteholders, DBRS and Moody's. Following the withdrawal of the Servicer, the Issuer shall promptly commence procedures necessary to appoint a substitute servicer.

The termination and the withdrawal of the Servicer shall be deemed to have become effective after 10 days have elapsed from the date specified in the notice of the termination or of the withdrawal or from the date falling on the day after a 12-month period has elapsed since the notice given by the Servicer to the Issuer, the Representative of the Noteholders, DBRS and Moody's to resign from the servicing agreement, or from the date, if later, of the appointment of the substitute servicer.

The Issuer may appoint a successor servicer only with the prior written approval of the Representative of the Noteholders and the Servicer, provided that the Issuer notifies DBRS and Moody's of such appointment. The successor servicer is required to have the following characteristics:

- (1) it must be a bank that has been operating in the Republic of Italy for at least three years and having one or more branches in the territory of the Republic of Italy and proven experience in the Republic of Italy in the management of loans similar to the Loans; or
- (2) it must be a financial intermediary registered pursuant to article 106 of the Banking Act which has:
  - (i) proven experience in the Republic of Italy in the management of loans similar to the Loans;
  - (ii) software that is compatible with that used by the replaced Servicer; and
  - (iii) the financial capability to perform the role of servicer; or
  - (iv) the Back-up Servicer (as defined below).

#### **Back-up Servicer**

Pursuant to the Servicing Agreement, in the event that the Servicer's Owner's long-term, unsecured and unsubordinated debt obligations ceases to be rated at least "Baa3" by Moody's, then within the following 10 Business Days, the Issuer shall appoint a Back-Up Servicer willing to replace the Servicer should the Servicing Agreement be terminated for any reason. The Back-up Servicer will, *inter alia*:

- (a) need to satisfy the requirements set out under points (1) and (2) of the preceding paragraph entitled "Termination and resignation of the Servicer and withdrawal of the Issuer";
- (b) undertake to enter into a back-up servicing agreement substantially in the form of the Servicing Agreement; and
- (c) assume all the duties and obligations applicable to it as provided for by the Transaction Documents.

The Issuer shall notify the Representative of the Noteholders, DBRS and Moody's of such appointment.

Under the Intercreditor Agreement, Banco Santander, S.A. has undertaken to act as Back-up Servicer Facilitator with the task of selecting the Back-Up Servicer on behalf of the Issuer. For further details, see the section entitled "*The Description of the Intercreditor Agreement*".

#### **Governing Law**

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.



## DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

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

### General

On the Initial Execution Date, the Originator and the Issuer entered into the Warranty and Indemnity Agreement, pursuant to which the Originator (i) gave certain representations and warranties in favour of the Issuer in relation to the Aggregate Portfolio and (ii) agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Aggregate Portfolio.

The Warranty and Indemnity Agreement contains representations and warranties by the Originator in respect of, *inter alia*, the following categories:

- (a) the Loans, the Claims and the Guarantees;
- (b) the consumer credit legislation (*credito al consumo*) and Claims qualification;
- (c) disclosure of information;
- (d) the Securitisation Law and article 58 of the Banking Act; and
- (e) other representations.

### Representations and warranties

Under the Warranty and Indemnity Agreement, the Originator has represented and warranted, *inter alia*, as follows:

- (a) *Loans, Claims and Guarantees*
  - (i) the Loans have no Unpaid Instalments as of the relevant Valuation Date and have never had more than three Unpaid Instalments, even non-consecutive, in the past;
  - (ii) the Loans have been granted in accordance with the Credit Policy;
  - (iii) the Borrowers, the Guarantors, and each party to any agreement, deed or document relating thereto had, as at the date of execution thereof, full power and authority to enter into and execute such agreement, deed or document relating to such Loans, Claims or Guarantee;
  - (iv) each of the Claims arises from agreements duly entered into. Each Loan and each other agreement, deed or document relating thereto is valid and enforceable and the obligations undertaken by each of the parties are valid and enforceable in their entirety;
  - (v) each Loan has been entered into, executed, performed and advanced in compliance with all applicable laws, rules and regulations, including, without limitation, all laws, rules and regulations relating to consumer credit protection, usury, personal data protection and disclosure, consumers' rights protection and transparency of contractual conditions, as well as in accordance with lending policies and procedures adopted from time to time by the Originator;
  - (vi) each authorisation, approval, consent, licence, registration, recording, presentation or attestation or any other action which is required or desirable to ensure the validity, legality, enforceability or priority of the rights and obligations of the relevant parties to each Loan and to each other relevant agreement, deed or document, as well as in respect of each Guarantee, was duly and unconditionally obtained, made or taken by the time of the execution of each Loan or at the time of execution or of perfection of each Guarantee and of the making of any advances thereunder or when otherwise required under the law or whenever deemed appropriate for the above purposes;

- (vii) each Loan has been fully advanced, disbursed and paid directly, as evidenced by disbursement receipts to the relevant Borrower or on its behalf, and there is no obligation on the part of the Originator to advance or disburse further amounts in connection therewith;
- (viii) each Loan has been entered into substantially in the form of the Originator's standard form agreement as adopted from time to time. No Loan has been amended after its execution.
- (ix) The current method of payment of each Loan, being (a) direct debit (*domiciliazione bancaria*) - SDD on the current account of the relevant debtor or (b) postal transfer order (*bollettino postale*), is set out in the Master Transfer Agreement (as per the Initial Portfolio) and in the Offer for Sale (as per each Subsequent Portfolio);
- (x) each Loan, each Guarantee and each other related agreement, deed or document was entered into and executed without any error, undue influence or wilful misconduct by or on behalf of the Originator or any of its managers, directors, officers and/or employees, so that the relevant Borrower(s) and/or the grantor(s) of the relevant Guarantee(s) are not entitled to initiate any action against the Originator for error, undue influence or wilful misconduct or to repudiate any of the obligations under or in respect of such Loan or of any other agreement, deed or document relating thereto;
- (xi) each Guarantee is existing and has been duly granted, created, perfected and maintained and remains valid and enforceable in accordance with the terms upon which it was granted, meets all requirements under all applicable laws and regulations and is not affected by any material defect whatsoever;
- (xii) the Originator has not (whether in whole or in part) cancelled, released or reduced or consented to cancel, release or reduce any Guarantee except to the extent that such cancellation, release or reduction was in compliance with legal requirements or regulations in force in Italy. No Loan sets out any provisions entitling the relevant Debtor(s) to any cancellation, release or reduction of the relevant Guarantee, other than where and to the extent that this is required under any applicable law and/or regulation;
- (xiii) the Originator has not (whether in whole or in part) cancelled, released, reduced or waived or consented to reduce, waive or cancel any Guarantee, existing as of the Initial Valuation Date, with reference to the Initial Portfolio and, as of the applicable Valuation Date, with reference to each Subsequent Portfolio, except as a result of the full or partial repayment of the Loan;
- (xiv) each Claim is fully and unconditionally owned by and available to the Originator and is not subject to any attachment, seizure or other charge in favour of any third party and is freely transferable to the Issuer. The Originator holds sole and unencumbered legal title to each of the Loans and the Claims and has not assigned to any third party other than the Issuer (whether absolutely or by way of security), transferred or otherwise disposed of any of the Loans or the Claims, or otherwise created or allowed for the creation or constitution of any lien, pledge, encumbrance or other right, claim or beneficial interest over the Loans or the Claims in favour of any third party other than the Issuer. There are no clauses or provisions in the Loans, nor in any other agreement, deed or document, pursuant to which the Originator is prevented from transferring, assigning or otherwise disposing of the Claims or of any of them;
- (xv) the amount of each Loan out of which the Claims of each Portfolio arise as of the relevant Valuation Date (being the relevant principal amount outstanding as at such date) (a) is correctly set out in the relevant schedule of the Master Transfer Agreement, as per the Initial Portfolio, and (b) will be correctly set out in the relevant the relevant Offer to Sell, as per each Subsequent Portfolio. The list of Loans attached to the Master Transfer Agreement, as per the Initial Portfolio, and the relevant the relevant Offer to Sell, as per each Subsequent Portfolio is and will be an accurate list of all of the Loans from which the Claims comprised in the relevant Portfolio arise and containing the indication of any

existing Guarantee and of the Individual Purchase Prices of such Claims, and the data set out therein are true and correct in all material respects. The Outstanding Principal Amount for each Debtor does not exceed € 78,340.13 in relation to the Claims comprised in the Initial Portfolio;

- (xvi) without prejudice to the representations and warranties under (xvii), the Originator did not, prior to the Initial Valuation Date, with reference to the Initial Portfolio and will have not prior to the relevant Valuation Date, with reference to each Subsequent Portfolio, relieve or discharge any relevant Debtor from its obligations, or subordinate the Originator's rights to the rights of other creditors thereof, or waive any of the Originator's rights, except in relation to payments made in a corresponding amount to satisfy the relevant Claims or in case, and to the extent, that this is required under any applicable law or regulation in order to preserve the Originator's position as owner of the relevant Loans;
- (xvii) the assignment and transfer of the Claims to the Issuer under the Master Transfer Agreement does not prejudice or impair the obligations of the Debtors concerning the payment of the outstanding amounts of the Claims;
- (xviii) each Loan and each Claim exists and is denominated in Euros;
- (xix) each Loan and each Claim is governed by Italian law;
- (xx) the Claims are not indirectly secured by any security other than those included in the Claims or in the Guarantee or that is anyway not transferred to the Issuer pursuant to the Master Transfer Agreement;
- (xxi) none of the Debtors is an entity of the public administration or an ecclesiastical entity;
- (xxii) save for the Servicing Agreement, no servicing or pooling agreement has been entered into by the Originator in relation to any of the Loans and/or the Claims which are binding on the Issuer or which may otherwise impair or affect in any manner whatsoever the exercise of any of its rights in respect of the Claims and the Guarantee;
- (xxiii) as at the Initial Valuation Date, with reference to the Initial Portfolio, and as at the applicable Valuation Date, with reference to the each Subsequent Portfolio, (a) each Initial Claim arises and each Subsequent Claim will arise from Loan Agreements and (b) each Initial Claim is, and each Claims comprised in each Subsequent Portfolio will be, classified as a performing Loan (*crediti in bonis*) in accordance with the definition contained in the guidelines set by the Bank of Italy;
- (xxiv) as of the relevant Valuation Date none of the Loans will have any Unpaid Instalment;
- (xxv) the Loans do not include:
  - (A) loans originating claims classified as Arrear Claims;
  - (B) loans originating claims classified, at any time, as Defaulted Claims;
  - (C) loans in relation to which there have ever been more than three Unpaid Instalments, even non-consecutive ones;
  - (D) loans granted to employees, agents or attorneys-in-fact (*mandatari*) of the Originator;
  - (E) loans under which the relevant Borrowers have been granted outstanding loans by the Originator other than the Loans, banking contracts (including, without limitation, deposit or current account contracts) or have other legal relationships with the Originator out which a claim towards the Originator could arise in favour of the Borrowers;
  - (F) loans in relation to which the Originator has or had at the time of the relevant execution an exclusive relationship with the relevant Retail Distributors (*convenzionati*);

- (G) loans where the relevant financed asset has not been delivered to the relevant Borrower yet;
  - (H) loans advanced, under any applicable law (including regional and/or provincial) or regulation in force in the Republic of Italy, providing for financial support of any kind with regard to principal and/or interest to the relevant borrower;
  - (I) loans providing for a payment holiday of one or more instalments in favour of the relevant borrower with regard to repayment of principal and/or payment of interest under any applicable law (including regional and/or provincial) or regulation in force in the Republic of Italy;
- (xxvi) the Originator has kept books, records, data and documents complete in all material respects in relation to the Loans and to all instalments and any other amounts to be paid or repaid thereunder, and all such books, records, data and documents are kept by the Originator;
  - (xxvii) the disbursement, servicing, administration, and collection procedures adopted by the Originator with respect to each of the Loans, the Guarantee and the Claims have been carried out in all respects in compliance with all applicable laws and regulations and with care, skill and diligence and in a prudent manner and in accordance with the credit management and collection policies adopted from time to time by the Originator, as well as in accordance with all prudent and customary banking practice, and they are described by the Originator in the relevant schedule of the Warranty and Indemnity Agreement;
  - (xxviii) all taxes, duties and fees of any kind required to be paid by the Originator under each Loan from the time such Loan was disbursed up to, the Initial Execution Date with reference to the Initial Portfolio and, up to the applicable Subsequent Transfer Date with reference to each Subsequent Portfolio, as well as with respect to the creation and preservation of any Guarantee and to the execution of any other agreement, deed or document or the performance and fulfilment of any action or formality relating thereto, have been and will be duly and timely paid by the Originator;
  - (xxix) the interest rates indicated opposite to each Loan in the Master Transfer Agreement (with reference to the Initial Portfolio) and in the Offer to Sell (with reference to each Subsequent Portfolio) are and will be true and correct, and the criteria on the basis of which the same have been computed are not subject to any reductions or variations throughout the term of the relevant Loan;
  - (xxx) the interest rates relating to the Loans as set out in the Master Transfer Agreement (with reference to the Initial Portfolio) and in the relevant Offer to Sell (with reference to each Subsequent Portfolio) have been and will be applied and received at all times in accordance with the applicable laws in force from time to time (including, especially, the Usury Law, as applicable);
  - (xxxi) each Loan constitutes a fixed rate loan and the relevant rate is not subject to any reductions or variations throughout the term of the relevant Loan;
  - (xxxii) the Loan provides for the payment of the Instalments through (a) direct debit (*domiciliazione bancaria*) - SDD on the current account of the relevant debtor or (b) postal transfer order (*bollettino postale*);
  - (xxxiii) the insurance policies covering against the risk of the Borrowers' death and personal accident, if existing in relation to one or more Loan, have been issued with insurance companies with a lien (*vincolo*) in favour of the Originator and the premia due under the relevant insurance policies were fully advanced by the Originator. The benefits arising from the insurance policies have been transferred to the Issuer pursuant to the Master Transfer Agreement and the Originator has undertaken all the activities necessary for such purpose pursuant to the Master Transfer Agreement;

- (xxxiv) no Debtor is entitled to exercise any grounded right of withdrawal (except where provided for in the relevant loan agreement and, with reference to Borrowers qualifying as "consumers", in article 125-ter of the Banking Act), rescission, termination, counterclaim, set-off or grounded defence in respect of the operation of any of the terms of any of the Loans or of the Guarantee or of any agreement, deed or document connected therewith, or in respect of any amount payable or repayable thereunder, it being understood that no such right has been asserted and no such claim has been raised against the Originator;
- (xxxv) the Originator has no knowledge of any fact or matter which might cause the non-repayment or the delayed repayment of any of the Loans;
- (xxxvi) each obligation arising from the Loans has been duly and punctually performed by each of the Debtors;
- (xxxvii) with reference to the Loans in relation to which the Debtor has transferred, or had the intention to transfer, to the Originator some claims, by way of security or for any other purpose, at the same time as the granting of the Loan or afterwards, such transfer is valid and enforceable among the parties;
- (xxxviii) under the Master Transfer Agreement, the Claims comprised in the Initial Portfolio met the Initial Criteria and the Claims comprised in each Subsequent Portfolio will meet the Common Criteria as at the relevant Valuation Date;
- (xxxix) the Specific Criteria of each Subsequent Portfolio (which, together with the Common Criteria will identify the Claims comprised in each such Subsequent Portfolio), respectively, will not alter the nature of the Common Criteria;
- (xl) the Loans do not violate any provision under articles 1283, 1345 and 1346 of the Italian Civil Code;
- (xli) no Debtor is subject to any insolvency proceeding;
- (xlii) no Retail Distributor (*convenzionato*) is subject to any insolvency proceeding as at the date of advance of the relevant Loan;
- (xliii) all the Loans out which the Claims of the Initial Portfolio arise have no instalments falling due after December 2026;
- (xliv) all the Loan Agreements from which the Claims comprised in the Initial Portfolio arise and the Loan Agreements from which the Claims comprised in each Subsequent Portfolio will arise have been and/or will be entered into by the Originator and the relevant Debtor;
- (xlv) the Debtors are not in breach of any terms and conditions of the relevant Loans;

(b) *Consumer credit*

- (i) with reference to the Loan Agreements entered into by Borrowers qualifying as "consumers", the Originator has complied with all the required disclosure requirements provided for by articles 123 and 116 of the Banking Act, specifying in particular the T.A.E.G. and its validity period;
- (ii) the T.A.E.G. specified by the Originator in the Loan Agreements entered into by Borrowers qualifying as "consumers" has been calculated by the Originator in compliance with article 121 of the Banking Act;
- (iii) the Loan Agreements have been drawn up in compliance with the provisions of article 117, paragraphs 1 and 3, of the Banking Act;
- (iv) the Loan Agreements entered into by Borrowers qualifying as "consumers" are in compliance with the provisions of article 125-bis of the Banking Act;
- (v) the Loans disbursed to Borrowers qualifying as "consumers" provide for prepayment fees which comply with article 125-sexies of the Banking Act. Such prepayment fees are legally binding on the Debtors;

- (vi) the Loan Agreements entered into by Borrowers qualifying as "consumers" do not contain any unfair terms pursuant to articles 33, paragraphs 1 and 2, and 36, paragraph 2, of the legislative decree 6 September 2005, No. 206. All the conditions set out in the Loan Agreements are enforceable against the Debtors;

(c) *Disclosure of information*

all the information and documents supplied by the Originator to the Arranger, to the Issuer and/or to their respective affiliates, agents (*mandatari con rappresentanza*) and advisers, for the purposes of, or in connection with, the Warranty and Indemnity Agreement, the Master Transfer Agreement, the Servicing Agreement and/or any transaction contemplated herein or therein, or otherwise for the purposes of, or in connection with, the Securitisation, the Loans, the Claims, the Insurance Policies, the Guarantee, and with respect to the application of the Eligibility Criteria, is true, accurate and complete in every material respect and no material information available to the Originator has been omitted;

(d) *Securitisation Law and article 58 of the Banking Act*

- (i) the Claims have been and will be transferred to the Issuer in accordance with the Securitisation Law and with article 58 of the Banking Act;
- (ii) the Claims have specific objective common elements so as to constitute homogenous monetary claims identifiable as a pool (*crediti pecuniari omogenei individuabili in blocco*) pursuant to the Securitisation Law and to the ministerial decree dated 4 April 2001 and the relevant Criteria are capable of identifying such homogenous monetary rights also vis-à-vis third-parties;
- (iii) the Originator has selected the Claims comprised in the Initial Portfolio on the basis of, and in accordance with, the Initial Criteria. There are: (i) no loans to which the Originator holds legal title meeting which meet the Initial Criteria and should, accordingly, have been included in the Claims of the Initial Portfolio listed in the Master Transfer Agreement and have not been included therein and (ii) no Loans listed in the Master Transfer Agreement which do not meet the Initial Criteria;
- (iv) the Originator shall select, from time to time, the Claims comprised in each Subsequent Portfolio on the basis of, and in accordance with, the Subsequent Criteria. There will be: (i) no loans to which the Originator holds legal title which will meet the Subsequent Criteria and should, accordingly, be included in the Claims comprised in each Subsequent Portfolio listed in the applicable Offer to Sell and will not be included therein and (ii) no Loans listed in the applicable Offer to Sell which will not meet the Subsequent Criteria;
- (v) all the Loans and the related Claims comprised in the Initial Portfolio and the Claims comprised in each Subsequent Portfolio were identified and will be identified on the basis of, and in complete accordance with, the relevant Eligibility Criteria;

(e) *Other Representations*

- (i) the Originator is a joint stock company (*società per azioni*) duly incorporated and validly existing under the laws of the Republic of Italy and has full corporate powers and the authority to enter into and perform the obligations undertaken by it under or pursuant to the Warranty and Indemnity Agreement, the Master Transfer Agreement and all the other Transaction Documents to which it is a party;
- (ii) the Originator has taken all corporate, shareholder and other actions required, and obtained and all necessary consents and licences to (a) authorise the entry into and the performance of the Warranty and Indemnity Agreement, of the Master Transfer Agreement and of all the other Transaction Documents to which it is a party, according to the terms hereof and thereof, including, without limitation, those concerning the transfer of the Claims and (b) ensure that all the obligations undertaken by it under the Warranty and Indemnity Agreement, the Master Transfer Agreement and all the other Transactions Documents to which it is a party are legal, valid and binding on it;

- (iii) the execution and performance by the Originator of the Warranty and Indemnity Agreement, of the Master Transfer Agreement and of all the other Transaction Documents to which it is a party do not entail any claim that might be enforced by any third parties against or in relation to the Originator's rights and do not contravene or constitute a default under: (a) its articles of association and by-laws; (b) any law, rule or regulation applicable to it; (c) any contract, deed, agreement, document or other instrument binding on it; or (d) any order, writ, judgment, award, injunction or decree binding on or affecting the Originator or its assets;
- (iv) the Warranty and Indemnity Agreement, the Master Transfer Agreement and all the other Transaction Documents to which the Originator is a party constitute legal, valid and binding obligations of the Originator and are fully and immediately enforceable against the Originator in accordance with their terms and conditions;
- (v) the monetary obligations of the Originator under the Warranty and Indemnity Agreement, under the Master Transfer Agreement and under all the other Transaction Documents to which it is a party constitute claims against it which rank at least *pari passu* with the claims of all the other unsecured and unsubordinated creditors under the laws of the Republic of Italy, save those claims which are preferred solely under any applicable laws, and only to the extent provided for by such laws;
- (vi) there are no disputes or arbitration or administrative proceedings or complaints already served or actions in progress, pending or (to the Originator's knowledge) threatened against it before any courts or competent authority which may adversely affect the Originator's ability to transfer the Claims or the Guarantee absolutely, irrevocably and without possibility of claw-back or avoidance pursuant to the Master Transfer Agreement or which might affect the Originator's ability to observe and perform its obligations under the Warranty and Indemnity Agreement, under the Master Transfer Agreement or under the other Transaction Documents;
- (vii) the Originator is solvent and there are no facts or circumstances which might render it insolvent, unable to perform its obligations or subject to any insolvency proceedings, nor has any corporate action been taken for its winding-up or dissolution, nor has any other action been taken against or in respect of it which might adversely affect its ability to effect the sale and transfer of the Claims or to perform its obligations under the Warranty and Indemnity Agreement, nor will it be rendered insolvent as a consequence of its entering into the Warranty and Indemnity Agreement, into the Master Transfer Agreement and/or into any other Transaction Document. The Originator is not in breach of any of its current or past obligations.
- (viii) The audited balance-sheet of the Originator as at 31 December 2013 is a true and correct report on the financial condition of the Originator as at such date and on the results of the activity of the Originator for the corporate year ended on that date, in compliance with the Italian generally accepted and consistently applied accounting principles. As from 31 December 2013 no material economic or financial change has occurred that could adversely affect the capacity of the Originator to fulfil its obligation under the Warranty and Indemnity Agreement and under the other Transaction Documents to which it is a party or the transactions contemplated herein or therein;
- (ix) the Originator has not appointed any financial intermediary or similar person in connection with the subject matter of the Warranty and Indemnity Agreement, of the Master Transfer Agreement or of the other Transaction Documents to which it is a party, except pursuant to any such agreement or document; and
- (x) in the administration and management of the Claims, of the judicial proceedings and of the Debtors' insolvency proceedings, the Originator has fully complied and will fully comply with all the applicable laws and rules on data protection and privacy protection, including,

without limitation, all of the provisions of law No. 196 of 30 June 2003, as subsequently amended and supplemented and all implementing decrees and regulations related thereto.

### **Times for the making of the representations and warranties**

All the representations and warranties referred to above shall be deemed made or repeated:

- (a) on the Initial Valuation Date;
- (b) on the Initial Execution Date;
- (c) on the Issue Date,

in relation to the Claims comprised in the Initial Portfolio; and

- (a) on the applicable Valuation Date;
- (b) on the applicable Offer Date and on the relating Subsequent Transfer Date,

in relation to the Claims comprised in each Subsequent Portfolio, in each case, with reference to the then existing facts and circumstances, as if they had been made on such dates.

### **Indemnity**

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees or the Representative of the Noteholders from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against or incurred by the Issuer or any of the other foregoing persons arising from, *inter alia*, any default by the Originator in the performance of any of its obligations under the Warranty and Indemnity Agreement or any of the other Transaction Documents or any representations and/or warranties made by the Originator thereunder or being false, incomplete or incorrect.

The Originator has also agreed to indemnify and hold harmless the Issuer, its officers, agents or employees or any of its permitted assignees or the Representative of the Noteholders from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against or incurred by it arising out of, *inter alia*, the application of the Usury Law to any interest accrued on any Loans. If the contractual provisions obliging the Debtor to pay interest on any Loan at any time become null and void as a result of a breach of the provisions of the Usury Law, then the Originator's obligation to indemnify the Issuer shall also cover the amount of any interest (including default interest) which would have accrued on such Loans up to full repayment of the same;

The Originator will also indemnify the Issuer for any loss deriving from the failure of the terms and conditions of any Loan to comply with the provisions of articles 1345 and 1283 or article 1346 of the Italian Civil Code;

Moreover, the Warranty and Indemnity Agreement provides that, in the event of a misrepresentation or a breach of any of the representations and warranties made by the Originator under the Warranty and Indemnity Agreement, which materially and adversely affects the value of one or more Claims or the interest of the Issuer in such Claims, and such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Originator within a period of 30 days of receipt of a written notice from the Issuer to that effect (the "**Cure Period**"), the Issuer has the option, pursuant to article 1331 of the Italian Civil Code, to assign and transfer to the Originator all of the Claims affected by any such misrepresentation or breach (the "**Affected Claims**"). The Issuer will be entitled to exercise the put option by giving to the Originator, at any time during the period commencing on the Business Day immediately following the last day of the Cure Period and ending on the day which is 120 days after such Business Day, written notice to that effect (the "**Put Option Notice**").

The Originator will be required to pay to the Issuer, within 10 Business Days of the date of receipt by the Originator of the Put Option Notice, an amount calculated, *mutatis mutandis*, in accordance with the terms of the Warranty and Indemnity Agreement.

The Warranty and Indemnity Agreement provides that, notwithstanding any other provision of such agreement, the obligations of the Issuer to make any payment thereunder shall be equal to the lowest of



the nominal amount of such payment and the amount which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. The Originator acknowledges that the obligations of the Issuer contained in the Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

**Governing Law**

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.

## DESCRIPTION OF THE CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

*The description of the Cash Allocation, Management and Payment Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Cash Allocation, Management and Payment Agreement. Prospective Noteholders may inspect a copy of the Cash Allocation, Management and Payment Agreement upon request at the registered office of the Representative of the Noteholders.*

### General

Pursuant to the Cash Allocation, Management and Payment Agreement entered into on or about the Issue Date, the Computation Agent, the Account Bank, the Servicer, the Paying Agent and the Custodian Bank have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling and investment services in relation to monies and securities from time to time standing to the credit of the Accounts.

### Account Bank

The Account Bank has agreed to (i) open in the name of the Issuer and manage, in accordance with the Cash Allocation, Management and Payment Agreement, the Collection Account, the Cash Reserve Account and the Expenses Account and (ii) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of such Accounts. For further details, see the section entitled "*The Accounts*".

On or prior to each Account Report Date, the Account Bank has agreed to prepare the Account Report (i) setting out certain information in relation to the Collection Account, the Cash Reserve Account and the Expenses Account and (ii) to be delivered to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider and the Computation Agent.

### Custodian Bank

The Custodian Bank has agreed to (i) open in the name of the Issuer and manage, in accordance with the Cash Allocation, Management and Payment Agreement, the Securities Account and (ii) provide the Issuer with certain investment services. For further details, see the section entitled "*The Accounts*".

The Custodian Bank, has agreed to invest on behalf of the Issuer amounts standing to the credit of the Investment Accounts in Eligible Investments, in accordance with the Cash Allocation, Management and Payment Agreement. Any Eligible Investment purchased by the Custodian Bank for the account of the Issuer which is represented by bonds, debentures or other kinds of notes or financial instruments shall be deposited by the Custodian Bank into the Securities Account.

On or prior to each Securities Account Report Date, the Custodian Bank has agreed to prepare the Securities Account Report (i) setting out certain information in relation to the Securities Account and (ii) to be delivered to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider, the Account Bank and the Computation Agent.

### Computation Agent

The Computation Agent has agreed to provide the Issuer with certain other calculation, monitoring and reporting services.

The Computation Agent has agreed to prepare, *inter alia*, the following reports:

- (a) prior to the service of a Trigger Notice, on or prior to each Payments Report Date, the Payments Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the applicable Priority of Payments;

- (b) on or prior to each Investors Report Date, the Investors Report setting out, *inter alia*, certain information with respect to the Notes; and
- (c) following the service of a Trigger Notice, on or prior each Payments Report Date or upon request of the Representative of the Noteholders, the Post Trigger Report setting out, *inter alia*, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the next Payment Date, in accordance with the Post-Trigger Priority of Payments.

### **Paying Agent**

The Paying Agent has agreed to provide the Issuer with certain calculation, payment and agency services in relation to the Notes, including without limitation, determining the Interest Payment Amounts due in respect of the Rated Notes, making payments to the Noteholders, giving notices and issuing certificates and instructions in connection with any meeting of the Noteholders.

Moreover, the Paying Agent has agreed to open in the name of the Issuer and manage, in accordance with the Cash Allocation, Management and Payment Agreement, the Payments Account and the Collateral Account.

### **Governing Law**

The Cash Allocation, Management and Payment 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.

## DESCRIPTION OF THE INTERCREDITOR AGREEMENT

*The description of the Intercreditor Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Intercreditor Agreement. Prospective Noteholders may inspect a copy of the Intercreditor Agreement at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer and the Other Issuer Creditors have entered into the Intercreditor Agreement, pursuant to which provision is made, *inter alia*, as to (i) the application of the Issuer Available Funds in accordance with applicable Priority of Payments and (ii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Aggregate Portfolio and the Transaction Documents.

The obligations owed by the Issuer to each of the Other Issuer Creditors, including without limitation, the obligations under any Transaction Document to which such Other Issuer Creditor is a party, will be limited recourse obligations of the Issuer. Each of the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

### **Trigger Notice**

Pursuant to the Intercreditor Agreement, following the service of a Trigger Notice, the Representative of the Noteholders will be entitled (as an agent of the Issuer and to the extent permitted by applicable laws), until the Notes have been repaid in full or cancelled in accordance with the Terms and Conditions, to take possession of all Collections and of the Claims and to sell or otherwise dispose of the Claims or any of them and to apply the relevant proceeds in accordance with the Post-Enforcement Priority of Payments.

### **Governing Law**

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.

## DESCRIPTION OF THE SUBORDINATED LOAN AGREEMENT

*The description of the Subordinated Loan Agreement set out below is a summary of certain features of this guarantee and is qualified by reference to the detailed provisions of the Subordinated Loan Agreement. Prospective Noteholders may inspect a copy of the Subordinated Loan Agreement at the registered office of the Representative of the Noteholders.*

### **General**

Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer on the Issue Date the Subordinated Loan in an amount of € 18,830,000. The Subordinated Loan will be used by the Issuer to fund on the Issue Date the Cash Reserve Amount and the Retention Amount.

As consideration for the granting of the Subordinated Loan, the Issuer shall pay to the Subordinated Loan Provider interest on the outstanding principal amount of such Subordinated Loan at a rate equal to 3 month EURIBOR plus 2.75% margin. Such interest will be paid by the Issuer on each Payment Date out of the Issuer Available Funds, in accordance with the applicable Priority of Payments.

The Issuer shall repay the outstanding principal amount under the Subordinated Loan, subject to the terms and conditions of the Subordinated Loan Agreement. Such repayment will be made on each Payment Date out and within the limits of the Issuer Available Funds, in accordance with the applicable Priority of Payments and the provisions of the Subordinated Loan Agreement.

Any amounts remaining outstanding in respect of principal or interest under the Subordinated Loan on the Cancellation Date shall be reduced to zero, cancelled and deemed to be released by the Subordinated Loan Provider and the latter shall have no further claim against the Issuer in respect of such unpaid amounts.

### **Governing Law**

The Subordinated Loan 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.

## DESCRIPTION OF THE SECURITY DOCUMENTS

*The description of the Italian Deed of Pledge and of the English Deed of Charge and Assignment set out below is a summary of certain features of such deeds and is qualified by reference to the detailed provisions of such deeds. Prospective Noteholders may inspect a copy of the Italian Deed of Pledge and of the English Deed of Charge and Assignment at the registered office of the Representative of the Noteholders.*

### **Italian Deed of Pledge**

On or about the Issue Date, the Issuer, the Custodian Bank, the Paying Agent and the Representative of the Noteholders have entered into the Italian Deed of Pledge pursuant to which the Issuer has, *inter alia*:

- (i) created an Italian law pledge over (A) the Collateral Account and the Payments Account and (B) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to time pursuant to the Italian Law Transaction Documents (other than the Mandate Agreement, the Terms and Conditions and the Italian Deed of Pledge); and
- (ii) undertaken to create an Italian law pledge over any Eligible Investment purchased and deposited into the Securities Account in accordance with the Cash Allocation, Management and Payment Agreement,

in each case, in favour of the Representative of the Noteholders, for itself and on behalf of the Noteholders and the Other Issuer Creditors.

#### *Governing Law*

The Italian 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.

### **English Deed of Charge and Assignment**

On or about the Issue Date, the Issuer and the Representative of the Noteholders have entered into the English Deed of Charge and Assignment pursuant to which the Issuer has granted, *inter alia*:

- (i) an English law charge over the Collection Account and the Cash Reserve Account, all its present and future right, title and interest in or to such Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on such Accounts;
- (ii) an English law assignment by way of security of all the Issuer's rights under the Hedging Agreement and all other present and future contracts, agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Aggregate Portfolio; and
- (iii) a floating charge over all of the Issuer's assets which are subject to the charge described under paragraphs (i) and (ii) above and not effectively assigned or charged by way of first fixed charge or assignment thereunder,

in each case, in favour of the Representative of the Noteholders for itself and as security trustee for the Noteholders and the Other Issuer Creditors.

#### *Governing Law*

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

## DESCRIPTION OF THE MANDATE AGREEMENT

*The description of the Mandate Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Mandate Agreement. Prospective Noteholders may inspect a copy of the Mandate Agreement at the registered office of the Representative of the Noteholders.*

### **General**

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

### **Governing Law**

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.

## DESCRIPTION OF THE HEDGING AGREEMENT

*The description of the Hedging Agreement set out below is a summary of certain features of such agreement and is qualified by reference to the detailed provisions of the Hedging Agreement. Prospective Noteholders may inspect a copy of the Hedging Agreement at the registered office of the Representative of the Noteholders.*

### General

On or about the Issue Date, the Issuer has entered into the Hedging Agreement with the Hedging Counterparty, in order to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes.

Under the Hedging Transaction, on each Payment Date the Issuer will pay to the Hedging Counterparty, a fixed rate equal to 1.468% applied to the Notional Amount; and the Hedging Counterparty will pay to the Issuer a floating rate equal to EURIBOR applicable to the Class A Notes, plus a margin of 1.1% in respect of the Interest Period immediately preceding such Payment Date, applied to the same Notional Amount.

**"Notional Amount"** means the aggregate outstanding balance of all the Class A Notes on the first day (being a floating rate payment date) of each relevant calculation period deducting any amount of principal repaid or scheduled to be repaid by the Issuer under the Class A Notes on such day.

The Hedging Transaction will remain in full force until the earlier of (i) the Final Maturity Date; and (ii) the date upon which the Notional Amount is reduced to zero, unless it is early terminated by one of the parties thereto in accordance with its terms.

Pursuant to the Hedging Transaction, the Hedging Counterparty is required to post collateral under the Hedging Transaction as of the Issue Date upon the occurrence of an Exposure, a Moody's Downgrade Event (as defined in the Hedging Agreement) or a DBRS Downgrade Event (as defined in the Hedging Agreement). In addition, pursuant to the Hedging Transaction, if the Hedging Counterparty ceases to have the Moody's Level 1 Required Rating (as defined below), then under certain pre-conditions the Issuer has the right to terminate the Hedging Transaction unless the Hedging Counterparty, within certain periods of time (as further set out in the Hedging Transaction) and at its own cost, the Hedging Counterparty:

- (i) posts collateral for its obligations in accordance with the provisions of the Credit Support Annex ; or
- (ii) obtains a guarantee of its obligations under the Hedging Transaction from a sufficiently rated third party; or
- (iii) transfers all of its rights and obligations under the Hedging Transaction or the relevant Hedging Transaction transaction(s) to an eligible third party with a sufficient rating,

the **"Posting Trigger Remedies"**.

**"Moody's Level 1 Required Ratings"** means, in relation to a person its long-term, unsecured and unsubordinated debt obligations are rated at least as high as "Baa1" (or its replacement) by Moody's.



Pursuant to the Hedging Transaction, if the Hedging Counterparty ceases to have the Moody's Level 2 Required Rating (as defined below) or the DBRS Required Rating, then under certain pre-conditions the Issuer has the right to terminate the Hedging Transaction unless the Hedging Counterparty, within certain periods of time (as further set out in the Hedging Transaction) and at its own cost, posts collateral for its obligations in accordance with the provisions of the Credit Support Annex, and in addition, at its own cost:

- (i) obtains a guarantee of its obligations under the Hedging Transaction from a sufficiently rated third party; or
- (ii) transfers all of its rights and obligations under the Hedging Transaction or the relevant Hedging Transaction transaction(s) to an eligible third party with a sufficient rating,

the "**Replacement Trigger Remedies**".

"**Moody's Level 2 Required Rating**" means, in relation to a person, its long-term, unsecured and unsubordinated debt obligations are rated at least as high as "Baa3" (or its replacement) by Moody's.

"**DBRS Required Rating**" means, in relation to a person, if its long-term, unsecured and unsubordinated debt obligations have a DBRS Rating of at least "BBB" (or its replacement) by DBRS. In the event that the Hedging Counterparty ceases to have the Moody's Level 1 Required Ratings, the Moody's Level 2 Required Ratings or the DBRS Required Rating, as relevant, such event may alternatively to the Posting Trigger Remedies and Replacement Trigger Remedies, be remedied by other actions as a result of which the Class A Notes will be rated by DBRS, as relevant, at the same level as immediately prior to such event.

"**DBRS Rating**" means, in respect of an entity, the public rating assigned by DBRS in respect of senior unsecured debt obligations of that entity if any (the "**DBRS Public Rating**") or in case there is no such DBRS Public Rating, the Internal Assessment.

"**Internal Assessment**" means the rating of the relevant entity determined as provided below:

- (i) if the rating of the relevant entity cannot be determined as a public entity assigned by DBRS, but a private rating assigned by DBRS in respect of the relevant entity (a "**DBRS Private Rating**") is available at such date, the rating of the relevant entity shall be the DBRS Private Rating;
- (ii) if the rating of the relevant entity cannot be determined under (i) above, but long term public ratings assigned by Moody's, S&P and Fitch in respect of the relevant entity (each, a "**Public Long Term Rating**") are all available at such date, the rating of the relevant entity shall be the DBRS equivalent of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies. For this purpose, if more than one Public Long Term Rating has: (a) the same highest DBRS equivalent, the rating of the relevant entity shall be such highest DBRS equivalent; or (b) the same lowest DBRS equivalent, the rating of the relevant entity shall be such lowest DBRS equivalent;
- (iii) if the rating of the relevant entity cannot be determined under (ii) above, but Public Long Term Ratings of the relevant entity by any two of Moody's, Fitch and S&P are available at such date, the DBRS equivalent of the lower of such Public Long Term Ratings; and
- (iv) if the rating of the relevant entity cannot be determined under (i), (ii) and/or (iii) above, but a Public Long Term Rating of the relevant entity by only one of Moody's, Fitch or S&P is available at such date, the DBRS equivalent of such available Public Long Term Rating.

If at any time the rating of the relevant entity cannot be determined under subparagraphs (i) to (iv) above, then the relevant entity shall be deemed to have a rating of "C" at such time.

Where the Hedging Counterparty provides collateral in accordance with the provisions of the CSA, such collateral or interest thereon will not form part of the Interest Available Funds (other than enforcement

proceeds from such collateral applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Hedging Transaction).

The Hedging Counterparty may only post collateral in the form of cash under the CSA. If the Hedging Counterparty posts collateral under the CSA, any such Collateral Amounts will be credited to the Collateral Account. If the Hedging Counterparty does not fulfil its payment obligations under the Hedging Agreement, which gives rise to an Event of Default, upon the termination and close-out of the Hedging Transaction, any Collateral Amounts which are not returned to the Hedging Counterparty pursuant to the Transaction Documents may be used by the Issuer to obtain a replacement Hedging Agreement or to make payments on the Notes, in accordance with the applicable Priorities of Payments. Any excess Collateral Amounts will be paid directly to the Hedging Counterparty and not in accordance with the Priorities of Payments.

### **Early Termination**

If an Event of Default specified in the Hedging Agreement occurs, the non-defaulting party may elect to terminate the Hedging Agreement. These events include failure to make payments due under the Hedging Agreement and the occurrence of certain insolvency events.

The Hedging Agreement may also be terminated if a termination event or an event of default as specified in the Hedging Agreement occurs. These termination events or events of default include:

- (i) changes in law resulting in illegality;
- (ii) certain events including breaches of representation and insolvency;
- (iii) amendment of any material terms of any Transaction Document without the prior written approval of the Hedging Counterparty;
- (iv) amendment of any of the Pre-Trigger Priority of Payments or the Post-Trigger Priority of Payments without the prior written consent of the Hedging Counterparty such that its obligations are further contractually subordinated to the Issuer's obligations to any beneficiary;
- (v) the occurrence and continuance of certain rating downgrade events;
- (vi) the service of a Trigger Notice following the occurrence of a Trigger Event, by the Representative of the Noteholders.

If the Hedging Agreement is terminated because of an event of default or a termination event specified in the Hedging Agreement, an early termination payment may be due either to the Issuer or the Hedging Counterparty depending on market conditions at the time of termination. The amount of any early termination payment will be determined by the method described in the Hedging Agreement and could be substantial if market rates or other conditions have changed materially. Any early termination payment payable by the Issuer will be payable in accordance with the applicable Priority of Payments.

If the Hedging Agreement is terminated prior to repayment in full of the principal of the Rated Notes, the Issuer will be required to enter into an agreement on similar terms with a new Hedging Counterparty. Any upfront payment to any replacement Hedging Counterparty under the Hedging Agreement payable by the Hedging Counterparty will be paid directly to the replacement Hedging Counterparty and not in accordance with the priorities of payment. Any costs, expenses, fees and taxes (including stamp taxes) arising in respect of any such transfer will be borne by Santander Consumer Bank;.

### **Governing Law**

The Hedging Agreement and all non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance, with English law.

## DESCRIPTION OF THE CORPORATE SERVICES AGREEMENT

*The description of the Corporate Services Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Corporate Services Agreement at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Corporate Services Provider and the Representative of the Noteholders have entered into the Corporate Services Agreement, pursuant to which the Corporate Services Provider will provide the Issuer with a number of services, including, *inter alia*:

- (a) the keeping and updating of various corporate and accounting books and records including, for example, inventories, statutory records, preparation of annual and interim financial statements in accordance with applicable legislation;
- (b) various corporate services such as secretarial services, assistance to the auditors, communications to the Representative of the Noteholders pursuant to the Transaction Documents; and
- (c) miscellaneous services of a fiscal nature including tax returns and declarations and the keeping of fiscal records.

The Issuer may terminate the appointment of the Corporate Services Provider in certain circumstances including, *inter alia*, in the event of breach by the Corporate Services Provider of its obligations or representations and warranties under the Corporate Services Agreement.

### **Governing Law**

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.

## DESCRIPTION OF THE STICHTINGEN CORPORATE SERVICES AGREEMENT

*The description of the Stichtingen Corporate Services Agreement set out below is a summary of certain features of that agreement and is qualified by reference to the detailed provisions of the Stichtingen Corporate Services Agreement. Prospective Noteholders may inspect a copy of the Stichtingen Corporate Services Agreement at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Quotaholders, the Representative of the Noteholders and the Stichtingen Corporate Services Provider have entered into the Stichtingen Corporate Services Agreement, pursuant to which the Stichtingen Corporate Services Provider will provide the Quotaholders with a number of services, including, *inter alia*, the provision of accounting and financial services and the management and administration of the Quotaholders.

### **Governing Law**

The Stichtingen 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.

## DESCRIPTION OF THE SHAREHOLDERS AGREEMENT

*The description of the Shareholders Agreement set out below is a summary of certain features of the Shareholders Agreement and is qualified by reference to the detailed provisions of the Shareholders Agreement. Prospective Noteholders may inspect a copy of the Shareholders Agreement at the registered office of the Representative of the Noteholders.*

### **General**

On or about the Issue Date, the Issuer, the Originator and the Quotaholders have entered into the Shareholders Agreement, pursuant to which the Quotaholders has given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of its rights as quotaholders of the Issuer and has agreed not to dispose of, or charge or pledge, the quotas of the Issuer subject to, *inter alia*, the prior written consent of the Representative of the Noteholders.

### **Governing Law**

The Shareholders 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

### Introduction

The Issuer has opened with the Account Bank the following accounts:

- (a) the Collection Account;
- (b) the Cash Reserve Account; and
- (c) the Expenses Account.

The Issuer has opened with the Paying Agent the Payments Account and the Collateral Account.

The Issuer has opened with the Custodian Bank the Securities Account.

### Collection Account

#### General

The Collection Account will be the Account for the deposit of all the Collections and Recoveries received and recovered by the Servicer in accordance with the Servicing Agreement, as well as any other amounts received by the Issuer from any party to a Transaction Document, but excluding the amounts paid by the Hedging Counterparty under the Hedging Agreement and any funds paid pursuant to the CSA (save where the Issuer is entitled to use such funds, in whole or in part, following a termination of the Hedging Agreement) and the amounts advanced by the Subordinated Loan Provider under the Subordinated Loan Agreement.

#### Credit

The following amounts shall be credited into the Collection Account:

- (i) by the Servicer or on its behalf, all the Collections and Recoveries, respectively, received and recovered, in accordance with the Servicing Agreement;
- (ii) by the parties to the Transaction Documents all of the amounts payable by each of them to the Issuer pursuant to such documents (other than the Collections and the Recoveries), but excluding the amounts paid by the Hedging Counterparty under the Hedging Agreement and any funds paid pursuant to the CSA (save where the Issuer is entitled to use such funds, in whole or in part, following a termination of the Hedging Agreement) and the amounts advanced by the Subordinated Loan Provider under the Subordinated Loan Agreement.
- (iii) by the Issuer or the Paying Agent on its behalf, out of the Issuer Available Funds on each Payment Date, in accordance with and subject to the applicable Priority of Payments, unless not already retained in the Collection Account, all the amounts required to be credited on such Collection Account on each such Payment Date in accordance with the applicable Priority of Payments, including without limitation, any Principal Deficiency Ledger Amount;
- (iv) by the Account Bank, all the net interests accrued on the Collection Account, in accordance with the Cash Allocation, Management and Payment Agreement; and
- (v) by the Custodian Bank from the Securities Account, on each Liquidation Date, to the extent so instructed by the Originator, the relevant amounts described and provided under the "*Liquidation*" section relating to the Securities Account set out below in this Schedule entitled "*The Accounts*".

#### Investment

On each Investment Date, the Account Bank shall promptly, withdraw from the Collection Account the funds that are necessary to execute the relevant Eligible Investments and execute the same Eligible Investments, in the name and on behalf of the Issuer, in each case, in accordance with the Cash Allocation,

Management and Payment Agreement.

#### Debit

On the second Business Day prior to each Payment Date, the funds standing to the credit of the Collection Account shall be transferred by the Account Bank into the Payments Account in the amount (if any) set forth in and in accordance with the Payments Report and/or the instructions of the Issuer (or given on its behalf).

#### **Cash Reserve Account**

##### General

The Cash Reserve Account will be the Account into which the Cash Reserve Amount shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement. The amounts of the Cash Reserve will be available to the Issuer on each Payment Date as part of the Interest Available Funds to meet its payment obligations under the Pre-Trigger Interest Priority of Payments in respect of the interests due in respect of the Rated Notes and the reduction to zero of the Principal Deficiency Ledger of such Rated Notes (as well as in respect of any amount required to be paid under the Pre-Trigger Interest Priority of Payments in priority thereto or *pari passu* therewith), to the extent that the Interest Available Funds would otherwise prove to be insufficient for such purpose. The Cash Reserve Account will be funded up to the Target Cash Reserve Amount on the Issue Date out of the Subordinated Loan, advanced by the Subordinated Loan Provider. In the event that on any Payment Date prior to the service of a Trigger Notice the balance of the Cash Reserve Account is lower than the Target Cash Reserve Amount, then the Issuer will credit available amounts of the Interest Available Funds, in accordance with the Pre-Trigger Interest Priority of Payments, into the Cash Reserve Account to bring the balance of such Account up to (but not exceeding) the Target Cash Reserve Amount.

##### Credit

The following amounts shall be credited into the Cash Reserve Account, in each case, in accordance with the terms of the Cash Allocation, Management and Payment Agreement:

- (i) on the Issue Date, by the Subordinated Loan Provider the amount drawn-down under the Subordinated Loan in an amount equal to the Target Cash Reserve Amount;
- (ii) by the Custodian Bank from the Securities Account, on each Liquidation Date the relevant amounts described and provided under the "*Liquidation*" section relating to the Securities Account set out below in this Schedule entitled "*The Accounts*";
- (iii) by the Issuer or the Paying Agent in its behalf out of the Interest Available Funds, on each Payment Date prior to the service of a Trigger Notice (other than the Payment Date on which the Rated Notes will be fully redeemed or cancelled), the amount (if any) which is necessary to bring the balance of the Cash Reserve up to but not in excess of the Target Cash Reserve Amount, in accordance with and subject to applicable Priority of Payments; and
- (iv) by the Account Bank all the net interests accrued on the Cash Reserve Account, in accordance with the Cash Allocation, Management and Payment Agreement.

##### Investment

On each Investment Date, the Account Bank shall promptly, withdraw from the Cash Reserve Account the funds that are necessary to execute the relevant Eligible Investments and execute the same Eligible Investments, in the name and on behalf of the Issuer, in each case, in accordance with the Cash Allocation, Management and Payment Agreement.

#### Debit

The following amounts shall be transferred by the Account Bank from the Cash Reserve Account into the Payments Account, in each case, in accordance with the Cash Allocation, Management and Payment Agreement:

- (i) on the second Business Day prior to each Payment Date before the following dates
  - (a) the Payment Date on which the Rated Notes will be redeemed in full;
  - (b) the first Payment Date following the service of a Trigger Notice;
  - (c) the Payment Date falling on the Final Maturity Date of the Rated Notes,the amount (if any) set forth in and in accordance with the Payments Report and/or the instructions of the Issuer (or given on its behalf);
- (ii) on the second Business Day prior to the earlier of the Payment Dates referred to in paragraph (a), (b) and (c), all the amounts (if any) standing to the credit of the Cash Reserve Account (and, thereafter, the Cash Reserve Account shall be closed).

## **Expenses Account**

### General

The Expenses Account will be the Account for the deposit of the Retention Amount aimed at funding during each Interest Period all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, in accordance with the Cash Allocation, Management and Payment Agreement. The Expenses Account will be funded, on the Issue Date out of a Subordinated Loan. In the event that on any Payment Date the balance of the Expenses Account is lower than the Retention Amount, then the Issuer will credit available amounts of the Issuer Available Funds, in accordance with the applicable Priority of Payments, into the Expenses Account to bring the balance of such Account up to (but not exceeding) the Retention Amount.

### Credit

The following amounts shall be credited into the Expenses Account:

- (i) on the Issue Date, by the Subordinated Loan Provider the amount drawn-down under the Subordinated Loan in an amount equal to the Retention Amount;
- (ii) on each Payment Date (other than the Payment Date on which the Notes shall be fully redeemed or cancelled), if the amount standing to the credit of the Expenses Account is lower than the Retention Amount, then the Issuer or the Paying Agent in its behalf shall credit Interest Available Funds into the Expenses Account to bring the balance of such Account equal to the Retention Amount, in accordance with and subject to the applicable Priority of Payments; and
- (iii) by the Account Bank all the net interests accrued on the Expenses Account, in accordance with the Cash Allocation, Management and Payment Agreement.

### Debit

During each Interest Period, the amounts standing to the credit of the Expenses Account shall be used by the Issuer to pay the Expenses.

On the second Business Day preceding the Payment Date on which the Notes will be redeemed in full or cancelled, all the amounts standing to the credit of the Expenses Account shall be transferred by the Account Bank into the Payments Account.

## **Collateral Account**

The Issuer has opened with the Paying Agent the Collateral Account, being the Account which will be used



for the deposit of any collateral to be paid by the Hedging Counterparty pursuant to the CSA and the Hedging Agreement. The Collateral Account shall be operated, and the amounts deposited into such Account shall be debited, credited and transferred, in accordance with the provisions of the CSA, the Hedging Agreement, the Cash Allocation, Management and Payment Agreement and the other Transaction Documents.

## **Payments Account**

### General

The Payments Account will be the Account into which, *inter alios*, the amounts standing to the credit of, the Collection Account and the Cash Reserve Account shall be transferred so as to be applied to make the payments due by the Issuer on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

### Credit

The following amounts shall be credited into the Payments Account:

- (i) by the Account Bank, two Business Days prior to each Payment Date, the sums standing to the credit of the Collection Account and the Cash Reserve Account in each case, in the amounts described and provided under the "*Debit*" sections relating to the above-mentioned Accounts set out above in this Schedule entitled "*The Accounts*";
- (ii) by the Hedging Counterparty, on each Payment Date the amounts due and payable under the Hedging Agreement;
- (iii) by the Account Bank, all the net interests accrued on the Payments Account, in accordance with the Cash Allocation, Management and Payment Agreement; and
- (iv) by the Custodian Bank, unless otherwise instructed by the Originator, from the Securities Account, on each Liquidation Date the relevant amounts described and provided under the "Liquidation" section relating to the Securities Account set out below in this Schedule entitled "*The Accounts*".

### Debit

On each Payment Date amounts shall be transferred from the Payments Account by the Paying Agent so as to be applied on each such date to make the payments due by the Issuer under the applicable Priority of Payments, including, *inter alios*, the payments due to the Noteholders, in each case, in accordance with the payments instructions of the Issuer, issued and/or on the basis of the Payments Report and the Cash Allocation, Management and Payment Agreement.

## **Securities Account**

### General

Any investment represented by bonds, debentures, other kind of notes or other financial instrument purchased with the monies standing to the credit of each of the Investment Accounts shall be deposited by the Custodian Bank in the Securities Account, in accordance with the terms of the Cash Allocation, Management and Payment Agreement.

### Liquidation

By each Liquidation Date (and/or upon instructions of the Issuer or of the Representative of the Noteholders, in accordance with the Transaction Documents) the Custodian Bank shall liquidate the financial instruments constituting Eligible Investments made with the sums of the Investment Accounts. Following such liquidation, the relevant proceeds shall be promptly transferred on the same date into the Accounts as follows:

- (i) an amount equal to the monies invested with the sums of the Collection Account until each such Liquidation Date and disinvested on such date, together with any relevant Revenue Eligible Investments Amounts arising therefrom, shall be transferred into the Collection Account (or the Payments Account to the extent so instructed by the Originator);
- (ii) an amount equal to the monies invested with the sums of the Cash Reserve Account until each such Liquidation Date and disinvested on such date, together with any relevant Revenue Eligible Investments Amounts arising therefrom, shall be transferred into the Cash Reserve Account (or the Payments Account to the extent so instructed by the Originator).

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE RATED NOTES AND ASSUMPTIONS

The expected average life of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

- (a) that the Loans are subject to a constant rate of prepayment as shown in the table below;
- (b) that no Loans are sold by the Issuer except as contemplated in the Servicer's credit and collection policies and the Servicing Agreement;
- (c) that the Loans continue to be fully performing;
- (d) that the Loans comprised in the Aggregate Portfolio after the end Revolving Period will amortise substantially in the same way of the Initial Portfolio; and
- (e) that the Revolving Period will end on the Payment Date falling in June 2016 (excluded).

Constant Prepayment Rate in%	Expected Average Life of Class A Notes (years)	Expected Average Life of Class B Notes (years)
0	3.59	5.78
5	3.47	5.56
10	3.35	5.36
15	3.25	5.15
20	3.16	4.95
25	3.08	4.76
30	3.00	4.58
35	2.93	4.40

Assumption (a) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Assumption (c) above relates to circumstances which are not predictable.

The average lives of the Class A Notes and the Class B Notes are subject to factors largely outside of the Issuer's control and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the "**Terms and Conditions**"). In these Terms and Conditions, references to the "holder" of a Note or to the "Noteholders" are to the ultimate owners of the Notes, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) article 83 bis of the Financial Laws Consolidated Act and (ii) Regulation 22 February 2008.

€ 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030 (the "**Class A Notes**" or the "**Senior Notes**"), € 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030 (the "**Class B Notes**" or the "**Mezzanine Notes**" and, together with the Senior Notes, the "**Rated Notes**") and the € 75,100,000 Class C-2014-1 Asset-Backed Fixed Rate Notes due December 2030 (the "**Class C Notes**" or the "**Junior Notes**" and, together with the Rated Notes, the "**Notes**") have been issued by Golden Bar (Securitisation) S.r.l. (the "**Issuer**") on 11 June 2014 (the "**Issue Date**") to finance the purchase of the Initial Portfolio and of any Subsequent Portfolios from Santander Consumer Bank S.p.A. ("**Santander Consumer Bank**").

Any reference in these Terms and Conditions to a "**Class**" of Notes or a "**Class**" of holders of Notes shall be a reference to the Class A Notes, the Class B Notes and the Class C Notes, as the case may be, or to the respective holders thereof and any reference to any agreement or document shall be a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

The principal source of funds available to the Issuer for the payment of amounts due on the Notes will be Collections and Recoveries received in respect of the Claims arising from the Loans granted by Santander Consumer Bank to certain Borrowers and purchased and to be purchased by the Issuer from Santander Consumer Bank pursuant to the terms of the Master Transfer Agreement. The Loans are personal loans granted for the purpose of funding the purchase of Vehicles.

The Initial Portfolio has been assigned and transferred by Santander Consumer Bank to the Issuer pursuant to the terms of the Master Transfer Agreement on the Initial Execution Date and the relevant Purchase Price has been funded through the proceeds of the Notes.

During the Revolving Period, subject to the terms and conditions of the Master Transfer Agreement, the Santander Consumer Bank may assign and transfer to the Issuer, and the Issuer shall purchase from the Santander Consumer Bank, Subsequent Portfolios of Claims, the Purchase Price of which will be funded through the Issuer Available Funds used in accordance with the applicable Priority of Payments.

### 1. INTRODUCTION

#### 1.1 *Definitions*

Capitalised words and expressions in these Terms and Conditions shall, unless otherwise specified or unless the context otherwise requires, have the meanings set out in Condition 2 (*Interpretation and Definitions*).

#### 1.2 *Noteholders deemed to have notice of the Transaction Documents*

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

#### 1.3 *Provisions of the Terms and Conditions subject to the Transaction Documents*

Certain provisions of these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transactions Documents.

#### 1.4 *Transaction Documents*

- 1.4.1 By the Underwriting Agreement, (i) the Issuer has agreed to issue the Notes and (ii) the Subscriber has agreed to subscribe for such Notes, subject to the terms and conditions set out thereunder.
- 1.4.2 By the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Aggregate 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 Aggregate Portfolio.
- 1.4.3 By the Servicing Agreement, the Servicer has agreed to administer, service, collect and recover amounts in respect of the Aggregate Portfolio on behalf of the Issuer. The Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to the Securitisation Law and, in such capacity, shall be responsible for verifying that the operations comply with the law and the Prospectus pursuant to article 2, paragraph 3(c) and article 2, paragraph 6 of the Securitisation Law.
- 1.4.4 By the Corporate Services Agreement, the Corporate Services Provider has agreed to provide the Issuer with certain corporate administrative services, in compliance with any reporting requirements relating to the Claims and with other requirements imposed on the Issuer.
- 1.4.5 By the Cash Allocation, Management and Payment Agreement, the Servicer, the Computation Agent, the Account Bank, the Custodian Bank and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services, together with account handling and investment services in relation to monies and securities from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payment Agreement also contains provisions for the payment of principal and interest in respect of the Rated Notes.
- 1.4.6 By the Intercreditor Agreement, provision has been made as to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the Priority of Payments, (ii) the limited recourse nature of the obligations of the Issuer and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio. Under the Intercreditor Agreement, the Subscriber has also appointed BNP Paribas Securities Services, Milan Branch, which has accepted such appointment, as Representative of the Noteholders.
- 1.4.7 By the Hedging Agreement, the Hedging Counterparty has agreed to hedge the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes.
- 1.4.8 By the Italian Deed of Pledge, the Issuer has, *inter alia*:
- (i) created an Italian law pledge over (A) the Collateral Account and the Payments Account and (B) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled from time to time pursuant to the Italian Law Transaction Documents (other than the Mandate Agreement, the Terms and Conditions and the Italian Deed of Pledge); and
  - (ii) undertaken to create an Italian law pledge over any Eligible Investment purchased and deposited into the Securities Account in accordance with the Cash Allocation, Management and Payment Agreement,

in each case, in favour of the Representative of the Noteholders, for itself and on behalf of the Noteholders and the Other Issuer Creditors.

1.4.9 By the English Deed of Charge and Assignment, the Issuer has granted, *inter alia*:

- (i) an English law charge over the Collection Account and the Cash Reserve Account, all its present and future right, title and interest in or to such Accounts and all amounts (including interest) now or in the future standing to the credit of, or accrued or accruing on such Accounts;
- (ii) an English law assignment by way of security of all the Issuer's rights under the Hedging Agreement and all other present and future contracts, agreements, deeds and documents governed by English law to which the Issuer is or may become a party in relation to the Notes, the Claims and the Aggregate Portfolio; and
- (iii) a floating charge over all of the Issuer's assets which are subject to the charge described under paragraphs (i) and (ii) above and not effectively assigned or charged by way of first fixed charge or assignment thereunder,

in each case, in favour of the Representative of the Noteholders for itself and as security trustee for the Noteholders and the Other Issuer Creditors.

1.4.10 By the Mandate Agreement, the Representative of the Noteholders shall be authorised, subject to, *inter alia*, a Trigger Notice being served or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

1.4.11 By the Shareholders Agreement, the Quotaholders have given certain undertakings to the Representative of the Noteholders in relation to the management of the Issuer and the exercise of their rights as quotaholder of the Issuer.

1.4.12 By the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to grant the Issuer the Subordinated Loan of € 18,830,000 for the purpose of, *inter alia*, establishing on the Issue Date the Cash Reserve in an amount equal to the Target Cash Reserve Amount.

1.4.13 By the Stichtingen Corporate Services Agreement, the Stichtingen Corporate Services Provider has agreed to provide the Quotaholders with a number of services including, *inter alia*, the provision of accounting and financial services and the management and administration of the Quotaholders.

1.4.14 By the Master Definitions Agreement, the definitions of certain terms used in the Transaction Documents have been set forth.

1.4.15 By the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

## 1.5 *Transaction Documents available for inspection*

Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, Via Ansperto No. 5, 20123 Milan, Italy.

## 1.6 *Rules of the Organisation of the Noteholders*

The Noteholders are deemed to have notice of, are bound by, and shall have the benefit of the terms of the Rules of the Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part of these Terms and Conditions. The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders.

## 1.7 *Representative of the Noteholders*

Each Noteholder recognises that the Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and accepts to be bound by the terms of the Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself. Each Noteholder, by reason of holding the Notes acknowledges and agrees that the Subscriber shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by BNP Paribas Securities Services, Milan Branch or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

## 2. **INTERPRETATION AND DEFINITIONS**

### 2.1 *Interpretation*

In these Terms and Conditions, unless otherwise specified or unless the context otherwise requires:

- (a) the exhibit hereto constitutes an integral and essential part of these Terms and Conditions and shall have the force of and shall take effect as covenants; and
- (b) headings and subheadings are for ease of reference only and shall not affect the construction of these Terms and Conditions.

### 2.2 *Definitions*

In these Terms and Conditions the following expressions shall, unless otherwise specified or unless the context otherwise requires, have the following meanings:

**Abbey National Treasury Services** means Abbey National Treasury Services Plc, a company incorporated under the laws of England and Wales, with registered office at 2 Triton Square, Regent's Place, London, NW1 3AN, United Kingdom, with registered number 2338548.

**Acceptance Date** means, during the Revolving Period and in relation to the assignment of the Subsequent Portfolios, the fourth Business Day of each Collection Period.

**Account** means each of the Cash Accounts and the Securities Account, and **Accounts** means all of them.

**Account Bank** means BNP Paribas Securities Services, London Branch or any other person, being an Eligible Institution, acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Account Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Account Bank, (ii) setting out certain information in relation to the Collection Account, the Cash Reserve Account and the Expenses Account and (iii) to be delivered on or prior to each Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider and the Computation Agent.

**Account Report Date** means the second Business Day of each calendar month of each year, with

the first Account Report Date falling on the second Business Day of July 2014.

**Accumulation Date** means, following the service of a Trigger Notice, the earlier of (i) each date on which the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments to be made in accordance with the Post-Trigger Priority of Payments shall be equal to at least 10% of the aggregate Principal Amount Outstanding of the Notes and (ii) each day falling 10 Business Days before the day that, but for the service of a Trigger Notice, would have been a Payment Date.

**Additional Screen Rate** shall have the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Aggregate Portfolio** means, on any given date, all the Claims comprised in the Initial Portfolio and in all the Subsequent Portfolios sold by the Originator to the Issuer up to any such date, pursuant to the Master Transfer Agreement.

**AIFM Regulation** means the Regulation (EU) No. 231/2013 adopted on 19 December 2012 by the European Commission, as amended and supplemented from time to time.

**Amortising Period** means the period (A) commencing after the end of the Revolving Period and (B) ending on the earlier of (i) the Cancellation Date and (ii) the date on which a Trigger Notice has been served on the Issuer.

**Arrear Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio which are Arrear Claims as at the last day of the relevant Collection Period and (ii) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio (but excluding, for the avoidance of doubt, any Defaulted Claims) as at the first day of such Collection Period, as determined by the Servicer in the Servicer Report.

**Arrear Claims** means the Claims which have not become Defaulted Claims yet and which arise from Loans (i) under which there are one or more consecutive or inconsecutive Unpaid Instalments, or (ii) under which, following the relevant final maturity date, there is at least one instalment which is an Unpaid Instalment and **Arrear Claim** means any of such Arrear Claims.

**Article 51** means article 51 of the AIFM Regulation.

**Article 405** means article 405 of the CRR.

**Back-Up Servicer** means the entity appointed as back-up servicer pursuant to the terms and conditions of the Servicing Agreement.

**Back-Up Servicer Facilitator** means Banco Santander or any other person acting as back-up servicer facilitator pursuant to the Intercreditor Agreement.

**Banco Santander** means Banco Santander S.A., a banking entity incorporated under the laws of Spain, registered with the Banco de España (Bank of Spain) under number 0049, having its registered offices at Paseo de Pereda 9-12, Santander, Spain and Tax Identification Code A-39000013.

**Bank of Italy Supervisory Regulations** means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

**Banking Act** means legislative decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**Basic Terms Modification** has the meaning given to it in the Rules of the Organisation of Noteholders.

**BNP Paribas Securities Services, London Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its London branch, with offices at 55



Moorgate, EC2R 6PA London, United Kingdom.

**BNP Paribas Securities Services, Luxembourg Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Luxembourg branch, having its registered office at 33, rue de Gasperich, Howald - Hesperange, L – 2085 Luxembourg, Grand Duchy of Luxembourg.

**BNP Paribas Securities Services, Milan Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, having its registered office at Via Ansperto No. 5, 20123 Milan, Italy, registered with the Companies Register of Milan with No. 13449250151, fiscal code and VAT No. 13449250151, enrolled in register of banks held by the Bank of Italy at No. 5483.

**Borrowers** means the borrowers under the Loans, collectively, and **Borrower** means any of them.

**Business Day** means any day on which the Trans-European Automated Real Time Gross Transfer System (TARGET) (or any successor thereto) is open and on which banks are open for business in Dublin, Milan, London and Turin.

**Calculation Amount** means € 1,000 in Principal Amount Outstanding upon issue.

**Calculation Agent** means Abbey National Treasury Services or any other person acting as calculation agent under the Hedging Agreement from time to time.

**Calculation Date** means the third Business Day prior to each Payment Date.

**Call Option** means the option provided for by the Master Transfer Agreement, according to which the Originator may repurchase from the Issuer (in whole but not in part), at once, all the Claims comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option.

**Cancellation Date** means the earlier of (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

**Cash Account** means each of the Cash Reserve Account, the Collection Account, the Payments Account and the Expenses Account, and **Cash Accounts** means all of them.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Originator, the Custodian Bank, the Servicer, the Paying Agent, the Corporate Services Provider and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Cash Reserve** means the funds standing from time to time to the credit of the Cash Reserve Account (and any Eligible Investments made with such funds) to be used to fund the payment on each Payment Date of the interests due in respect of the Rated Notes and certain other amounts due under the Pre-Trigger Interest Priority of Payments to the extent that on any such dates the other Interest Available Funds prove to be insufficient for such purpose.

**Cash Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Cash Reserve shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

**Claims** has the meaning given to the term "*Crediti*" in the Master Transfer Agreement, which term identifies the debt claims arising from each Portfolio.

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

**Class A Noteholder** means any Holder of a Class A Note and **Class A Noteholders** means all of them.

**Class A Notes** means the € 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030.

**Class A Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Class A Notes where any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Class A Rate of Interest** has the meaning given to it in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Class B Noteholder** means the Holder of a Class B Note and **Class B Noteholders** means all of them.

**Class B Notes** means the € 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030.

**Class B Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Class B Notes where any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Class B Rate of Interest** has the meaning given to it in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Class C Noteholder** means the Holder of a Class C Note and **Class B Noteholders** means all of them.

**Class C Notes** means the € 75,100,000 Class C-2014-1 Asset-Backed Notes due December 2030.

**Clearstream** means Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**Collateral Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Paying Agent or any other Eligible Institution to be used for the deposit of any collateral paid by the Hedging Counterparty pursuant to the CSA and the Hedging Agreement.

**Collateral Amounts** means the payments made to or deposits of securities made with the Issuer as collateral pursuant to the CSA and the Hedging Agreement, collectively, and **Collateral Amount** means any of them.

**Collateral Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio, calculated taking into account also the Claims comprised in the relevant Subsequent Portfolio to be purchased by the Issuer on the immediately following Subsequent Transfer Date and excluding, for the avoidance of doubt, any Defaulted Claims, and (ii) the Principal Amount Outstanding of the Notes.

**Collection Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution for the deposit of, *inter alia*, all the Collections and the Recoveries received and recovered by the Servicer in accordance with the

Servicing Agreement.

**Collection Date** means 1 March, 1 June, 1 September and 1 December of each year.

**Collection Period** means (i) prior to the service of a Trigger Notice, each period commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date up to the redemption in full of the Notes, the first Collection Period commencing on (but excluding) the Initial Valuation Date and ending on (and including) 31 August 2014; and (ii) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date.

**Collection Policies** means the procedures for the management, collection and recovery of the Claims attached to the Servicing Agreement.

**Collections** means any monies from time to time paid, as of (but excluding) the relevant Valuation Date, in respect of the Loans and the related Claims.

**Common Criteria** means the objective criteria for the identification of the Claims comprised in each Subsequent Portfolio assigned to the Issuer under the Master Transfer Agreement, to be satisfied by such Claims as of the relevant Valuation Date or as of such other date provided in the relevant Offer to Sell.

**Computation Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Condition** means a condition of these Terms and Conditions.

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

**CONSOB Resolution No. 11768** means CONSOB Resolution No. 11768 of 23 December 1998, as amended by CONSOB Resolutions No. 12497 of 20 April 2000 and No. 13085 of 18 April 2001, as subsequently amended and supplemented from time to time.

**CONSOB Resolution No. 16191** means CONSOB Resolution No. 16191 of 29 October 2007, as subsequently amended and supplemented from time to time.

**Corporate Services** means the services which the Corporate Services Provider will provide to the Issuer pursuant to the Corporate Services Agreement.

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

**Corporate Services Provider** means Bourlot Gilardi Romagnoli e Associati or any other person acting as corporate services provider pursuant to the Corporate Services Agreement from time to time.

**CRA Regulation** means Regulation (UE) No. 1060/2009 as amended and supplemented from time to time.

**CRD IV** means the Directive 2013/36/UE adopted on 27 June 2013 by the European Parliament and the European Council which, repealed the so-called "Capital Requirements Directives" (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the "CRD"), relating to exposures to transferred credit risk in the context of securitisation transactions.

**CRR** means the Regulation (UE) No. 575/2013 adopted on 27 June 2013 by the European Parliament and the European Council which repealed the CRD relating to exposures to transferred credit risk in the context of securitisation transactions.

**CSA** means the ISDA 1995 Credit Support Annex (Bilateral Form – Transfer - English Law), as published by the International Swaps and Derivatives Association, Inc. (forming part of the Hedging Agreement), as amended by the Issuer and Hedging Counterparty through the execution of Paragraph 11 to such CSA.

**Custodian Bank** means BNP Paribas Securities Services, Milan Branch or any other person acting as custodian bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**DBRS** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated 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 ESMA on the ESMA website.

**Debtors** means the Borrowers, the persons having granted any Guarantee to the Originator and the persons who are liable for the payment or repayment of any amounts due under the Loans and **Debtor** means any of them.

**Decree 239 Deduction** means any withholding or deduction for or on account of imposta sostitutiva under Decree No. 239. **Decree No. 213** means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

**Decree No. 7** means Italian Law Decree No. 7 of 31 January 2007, converted into law No. 40 of 2 April 2007, as amended and supplemented from time to time.

**Decree No. 93** means Italian Law Decree No. 93 of 27 May 2008, as amended and supplemented from time to time.

**Decree No. 145** means Law Decree of 23 December 2013 No. 145 converted into law by Law No. 9 of 21 February 2014, as amended and supplemented from time to time.

**Decree No. 239** means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

**Decree No. 350** means Italian Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001, as amended and supplemented from time to time.

**Decree No. 351** means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

**Decree No. 435** means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

**Default Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all Claims comprised in the Aggregate Portfolio which have become Defaulted Claims during the relevant Collection Period (excluding, for the avoidance of doubt, any Claims which have become Defaulted Claims before such Collection Period) and (ii) the aggregate Outstanding Principal of all Claims comprised in the Aggregate Portfolio (but excluding, for the avoidance of doubt, any Defaulted Claims) as at the first day of such Collection Period, as determined by the Servicer in the Servicer Report.

**Defaulted Claims** means the Claims arising from Loans in respect of which (i) there are six or more consecutive or inconsecutive Unpaid Instalments, or (ii) following the relevant final maturity

date, there is at least one instalment which is an Unpaid Instalment for six or more months, or (iii) the relevant Borrower has been subject to acceleration (*decadenza dal beneficio del termine*), or (iv) the relevant Loan Agreement has been terminated and **Defaulted Claim** means any of such Defaulted Claims.

**Defaulting Party** has the meaning ascribed to this term under the Hedging Agreement.

**Documents** means all documents relating to the Claims comprised in the Aggregate Portfolio.

**ECOFIN** means the EU Council of Economic and Finance Ministers.

**Eligibility Criteria** means the Initial Criteria or the Subsequent Criteria, as the case may be.

**Eligible Account** means an account opened with an Eligible Institution.

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

- (a) whose short-term unsecured and unsubordinated debt obligations are rated at least "P-2" by Moody's;
- (b) whose long-term unsecured and unsubordinated debt obligations are rated at least:
  - (I) "A3" by Moody's; and
  - (II) "BBB (high)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS); or
- (c) whose obligations under the Transaction Documents to which it is a party are guaranteed 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:
  - (I) whose short-term unsecured and unsubordinated debt obligations are rated at least "P-2" by Moody's;
  - (II) whose long-term unsecured and unsubordinated debt obligations are rated at least:
    - (A) "A3" by Moody's; and
    - (B) "BBB (high)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS).

**Eligible Investments** means:

- (a) euro-denominated money market funds which have a long-term rating of "Aaa-mf" by Moody's and, if rated by DBRS, "AAA" by DBRS and permit daily liquidation of investments or have a maturity date falling before the next following Liquidation Date provided that such money market funds are disposable without penalty or loss;
- (b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling on or before the next following Liquidation Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling on or before the next following Liquidation Date (provided that, in respect of such investments, their maturity must be, in

any case, shorter than 30 calendar days) and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

*provided further that* with exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least:

- (1) (A) either "Baa3" by Moody's in respect of long-term debt or "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (B) either "Baa2" by Moody's in respect of long-term debt or "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time; (C) "A3" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between three and six months, or such other lower rating being compliant with the criteria established by Moody's from time to time; or (D) "A2" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity longer than six months, or such other lower rating being compliant with the criteria established by Moody's from time to time; and
- (2) if such debt securities or other debt instruments are rated by DBRS (A) "R-2 (high)" by DBRS in respect of short-term debt or "BBB (high)" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than one month; (B) "R-1 (middle)" by DBRS in respect of short-term debt or "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months; (C) "R-1 (high)" by DBRS in respect of short-term debt or "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or (D) "R-1 (high)" by DBRS in respect of short-term debt and "AAA" by DBRS in respect of long-term debt, with regard to investments having a maturity longer than six months;

*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 any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**EMIR** means the Regulation (EU) No. 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended and supplemented from time to time.

**EMU** means the European Economic and Monetary Union introduced pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**English Deed of Charge and Assignment** means the deed of charge and assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders and governed by English law, 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.

**ESMA** means European Securities and Markets Authority.

**EURIBOR** shall have the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Euro, € and cents** refer to the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

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

**European Union Insolvency Regulation** means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

**Euro-Zone** means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**Expenses** means any documented fees, costs, expenses and taxes required to be paid by the Issuer to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented fees, costs, expenses and taxes required to be paid by the Issuer in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**Expenses Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank for the deposit of the Retention Amount aimed at funding, during each Interest Period, all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, in accordance with the Cash Allocation, Management and Payment Agreement.

**Extraordinary Resolution** means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders to resolve on the objects set out therein.

**Final Maturity Date** means the Payment Date falling in December 2030.

**Financial Laws Consolidated Act** means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**First Payment Date** means 22 September 2014.

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

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Covenants – Further securitisations and corporate existence*).

**Guarantees** means the personal guarantees granted by or formed onto the Originator, in relation to the Loan Agreements or the Claims and **Guarantee** means any of them.

**Guarantor** means any person or entity who has granted a Guarantee.

**Golden Bar** means Golden Bar (Securitisation) S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and organised under the laws of the Republic of Italy pursuant to the Securitisation Law, registered with the Companies Register of Turin under No. 13232920150, enrolled with the register of the *società veicolo* held by the Bank of Italy under No. 32474.9, having its registered office at Via Principe Amedeo No. 11, 10123 Turin, Italy.

**Hedging Agreement** means the hedging agreement entered into on or about the Issue Date

between the Issuer and the Hedging Counterparty, 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, such agreement comprising an ISDA 1992 Master Agreement (Multicurrency - Cross Border), as published by the International Swaps and Derivatives Association, Inc., the relevant schedule, CSA and confirmation thereto.

**Hedging Transaction** means the hedging transaction entered into on or about the Issue Date between the Issuer and the Hedging Counterparty pursuant to the Hedging Agreement, as amended, restated, and/or novated from time to time.

**Hedging Counterparty** means Abbey National Treasury Services or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time; *provided that* with respect to any DBRS rating, the term "Hedging Counterparty" shall include any successors, any guarantor or co-obligor in respect of all of the Hedging Counterparty's present and future obligations under the Hedging Agreement.

**Hedging Subordination Event** means, pursuant to the terms of the Hedging Agreement, an Event of Default with respect to the Hedging Counterparty or an Additional Termination Event which has occurred in connection with a Rating Event and the Hedging Counterparty is the Defaulting Party or the Sole Affected Party, as the case may be (such terms as defined in the Hedging Agreement).

**Holder** means the beneficial owner of a Note.

**Initial Criteria** means the objective criteria for the identification of the Claims comprised in the Initial Portfolio provided for by the Master Transfer Agreement, to be satisfied by such Claims as of the Initial Valuation Date or as of such other date set out in the Master Transfer Agreement.

**Individual Purchase Price** means the purchase price due to the Issuer by the Originator in respect of Claims relating to each Loan assigned pursuant to the Master Transfer Agreement, being equal to the relevant Outstanding Principal as of the relevant Valuation Date.

**Initial Execution Date** means 5 May 2014.

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

**Initial Portfolio** means the first portfolio of Claims assigned and transferred by the Originator to the Issuer on the Initial Execution Date, pursuant to the Master Transfer Agreement.

**Initial Portfolio Outstanding Amount** means the Portfolio Outstanding Amount of the Aggregate Portfolio as of the Initial Valuation Date.

**Initial Valuation Date** means 17 April 2014.

**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, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business 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, such proceedings are being disputed in good faith with a reasonable prospect of success; or

- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, 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 of any indebtedness given by it 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 (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under Article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

**Insolvent** means that the Issuer is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or is insolvent.

**Instalment** means the scheduled monthly payment falling due from the relevant Borrower under a Loan and which consists of an Interest Component and a Principal Component.

**Insurance Policy** means any insurance policy relating or connected to a Loan Agreement and **Insurance Policies** means all of them.

**Intercreditor Agreement** means the 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 Amount** means:

- (a) in respect of the Class A Notes and the Class B Notes, the amount of interest accrued during the relevant Interest Period in respect of the relevant Class as determined in accordance with Condition 7 (*Interest*); and/or
- (b) in respect of the Junior Notes the Junior Notes Interest Amount (if any) and/or the Junior Notes Additional Remuneration (if any) accrued on the Junior Notes during the relevant Interest Period, as the context requires.

**Interest Amount Arrears** means any portion of the relevant Interest Amount for the Notes of any Class which remains unpaid on any Payment Date.

**Interest Available Funds** means, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (a) the Interest Components received by the Issuer in respect of the Loans in the Claims comprised in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;

- (b) without duplication with (a) above, an amount equal to the Interest Components invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (c) the Cash Reserve, in the following amounts:
  - (I) prior to the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment applies, the sums of such Cash Reserve in an amount equal to the funds which are necessary in order to pay the interests due in respect of the Rated Notes and reduce to zero the Principal Deficiency Ledger of such Rated Notes on the next Payment Date (as well as any amount required to be paid under the Pre-Trigger Interest Priority of Payments in priority thereto or pari passu therewith), to the extent that the other Interest Available Funds prove to be insufficient for such purpose; and
  - (II) starting from the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment applies, all the sums of such Cash Reserve;
- (d) without duplication with (c) above, an amount equal to the sums invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date;
- (e) without duplication with (c) above, all amounts of interest accrued and paid on the Collection Account and the Cash Reserve Account during the Collection Period immediately preceding such Calculation Date;
- (f) without duplication with (e) above, payments made to the Issuer by any other party to the Transaction Documents during the Collection Period immediately preceding such Calculation Date, excluding those amounts constituting Principal Available Funds;
- (g) the Revenue Eligible Investments Amount realised on the preceding Liquidation Date, if any;
- (h) any Recoveries (including any purchase price received in relation to the sale of any Defaulted Claims) received by the Issuer in respect of any Defaulted Claim during the Collection Period immediately preceding such Calculation Date;
- (i) any amount due and payable, although not yet paid, to the Issuer by the Hedging Counterparty under the Hedging Agreement on the Payment Date immediately following the relevant Calculation Date;
- (j) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Funds; and
- (k) any Principal Available Funds which have been allocated in or towards provision of the Interest Available Funds in accordance with the Pre-Trigger Principal Priority of Payments,

but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not

been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction, the amount deposited in the Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

**Interest Component** means the interest component of each Instalment (including commissions for direct debit payments (RID), collection commissions for postal payments and Prepayment Fees) and any other amount which is not a Principal Component.

**Interest Determination Date** means, with respect to the Initial Interest Period, the date falling two Business Days prior to the Issue Date and, with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

**Interest Payment Amount** has the meaning given to it in Condition 7.5 (*Interest - Determination of interest of the Class A Notes and the Class B Notes, Junior Notes Interest Amount and Junior Notes Additional Remuneration Interest*).

**Interest Period** means each period beginning on (and including) a Payment Date and ending on (but excluding) the next following Payment Date.

**Internal Rate of Return** means (i) in relation to the Claims comprised in the Initial Portfolio, the aggregate weighted average T.A.N. of the Instalments scheduled to be paid in relation to the Initial Claims after the Initial Execution Date together with any commission pertaining thereto; (ii) in relation to the Claims comprised in each Subsequent Portfolio to be sold to the Issuer on any Subsequent Transfer Date, the aggregate weighted average T.A.N. of the Instalments scheduled to be paid in relation to such Claims after such Subsequent Transfer Date, together with any commission pertaining thereto; and (iii) in relation to the Claims comprised in the Aggregate Portfolio, the aggregate weighted average T.A.N. of all outstanding Instalments of such Claims together with any commission pertaining thereto.

**Investment Accounts** means each of the Collection Account and the Cash Reserve Account.

**Investment Date** means

- (a) in respect of the Collection Account, the last Business Day of each week; and
- (b) in respect of the Cash Reserve Account, (a) prior to the first Payment Date, any Business Day before such Payment Date and (b) thereafter the first Business Day following each Payment Date; and/or

any other Business Day, as may be agreed between the Issuer and the Custodian Bank.

**Investors Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Computation Agent, (ii) setting out certain information in relation to the Notes, and (iii) to be distributed on or prior to each Investors Report Date.

**Investors Report Date** means the means the third Business Day prior to each Payment Date.

**IRAP** means the regional tax on productive activities at a rate of 3.9 per cent.

**IRES** means *imposta sul reddito delle società* applied on the corporate taxable income.

**Irish Stock Exchange** means Irish Stock Exchange Plc.

**IRS** means the market equivalent interest rate swap set at the date on which the Hedging Agreement has been executed.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**Issue Date** means 11 June 2014.

**Issue Price** means 100 per cent.

**Issuer** means Golden Bar.

**Issuer Available Funds** means, in relation to each Payment Date, the aggregate of all:

(a) Interest Available Funds; and

(b) Principal Available Funds.

**Issuer's Rights** means the Issuer's right, title and interest in and to the Claims, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Originator, any Other Issuer Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with this Securitisation.

**Italian Bankruptcy Law** means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

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

**Italy** means the Republic of Italy.

**Junior Noteholder** means the Holder of a Junior Note and **Junior Noteholders** means all of them.

**Junior Notes** means the Class C Notes.

**Junior Notes Additional Remuneration** means, in relation to the Junior Notes, on each Payment Date:

(a) prior to the service of a Trigger Notice, the Principal Available Funds calculated on the immediately preceding Calculation Date minus all payments to be made under items (i) to (ix) of the Pre-Trigger Principal Priority of Payments;

(b) following the service of a Trigger Notice, zero.

**Junior Notes Interest Amount** means in respect of the Junior Notes:

(a) in relation to each Payment Date prior to the service of a Trigger Notice, the Interest Available Funds calculated on the immediately preceding Calculation Date less the sum of amounts to be paid on such date under items (i) to (xx) of the Pre-Trigger Interest Priority of Payments;

(b) in relation to each Payment Date after the service of a Trigger Notice, the Post-Trigger Issuer Available Funds minus all payments to be made under items (i) to (xvi) of the Post-Trigger Priority of Payments.

**Junior Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Junior Notes pursuant to the Cash Allocation, Management

and Payment Agreement any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Law No. 383** means Law No. 383 of 18 October 2001, as amended and supplemented from time to time.

**Liquidation Date** means the date falling one Business Day before each Calculation Date.

**Listing Agent** means BNP Paribas Securities Services, Luxembourg Branch.

**Loans** means, with respect to (i) the Initial Portfolio, all the Loans which are listed in the relevant annex of the Master Transfer Agreement and (ii) each Subsequent Portfolio, all the Loans which are listed in the annex of relevant Offer to Sell and **Loan** means any of them.

**Loan Agreements** means the loan agreements executed between Santander Consumer Bank and the Borrowers, pursuant to which the Loans are advanced and out of which the Claims arise and **Loan Agreement** means all any of them.

**Local Business Day** means a day (other than Saturday and Sunday) on which the banks to and/or from which the relevant payment is to be made are open for business.

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

**Margin** has the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Master Definitions Agreement** means the master definitions agreement entered into on or about the Issue Date between all 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.

**Master Transfer Agreement** means the Master Transfer Agreement entered into on the Initial Execution Date 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.

**Meeting** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**Monte Titoli** means Monte Titoli S.p.A., with registered office at Piazza degli Affari No.6, 20123 Milan, Italy.

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

**Monte Titoli Mandate Agreement** means the agreement entered into between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Moody's** means Moody's Investors Service, Inc.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means, on any given date, without prejudice to any applicable Priority of Payments:

- (a) the Class A Notes (for so long as there are Class A Notes outstanding); or
- (b) if the Class A Notes are no longer outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or
- (c) if the Rated Notes are no longer outstanding, the Junior Notes.

**Net Hedging Replacement Premium** means any premium received (net of any costs reasonably incurred by the Issuer to find a replacement hedging counterparty) by the Issuer from a replacement hedging counterparty in consideration for entering into a replacement hedging agreement with the Issuer on the same terms as the Hedging Agreement.

**New Vehicles** means (A) vehicles (including cars, motorbikes, campers and commercial vehicles having a weight not exceeding 35 quintals) registered in Italy for no more than 12 months as at the date of execution of the relevant Loan Agreements; (B) boats registered with the R.I.D. (*Registro Imbarcazioni Diporto*) for no more than 12 months as at the date of execution of the relevant Loan Agreements; and (C) new nautical engines.

**Noteholders** means the Holders of the Rated Notes and the Junior Notes, collectively, and **Noteholder** means any of them.

**Notes** means the Rated Notes and the Junior Notes, collectively, and **Note** means any of them.

**Obligations** means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

**Offer Date** means, during the Revolving Period and in relation to each Subsequent Portfolio, the third Business Day of each Collection Period.

**Offer to Sell** means each offer to sell a Subsequent Portfolio sent to the Issuer by the Originator in accordance with the Master Transfer Agreement.

**Official Gazette** means the *Gazzetta Ufficiale della Repubblica Italiana*.

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

**Originator** means Santander Consumer Bank.

**Originator's Claims** means, collectively, the monetary claims that the Originator may have from time to time against the Issuer under the Master Transfer Agreement (other than in respect of the Initial Portfolio Purchase Price and the Warranty and Indemnity Agreement, and including, without limitation, the Rateo Amounts, all amounts due and payable to the Originator for the repayment of any loan (*Finanziamento spese*) granted to the Issuer under the Master Transfer Agreement in connection with the settlement of any dispute (*Risoluzione delle controversie*) under the Warranty and Indemnity Agreement).

**Other Issuer Creditors** means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Subordinated Loan Provider, the Paying Agent, the Account Bank, the Custodian Bank, the Subscriber, the Sole Arranger, the Hedging Counterparty and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and **Other Issuer Creditor** means any of them.

**Outstanding Principal** means, on any given date: (A) with respect to any Loan and the relevant

Claims, the sum of (i) the aggregate of all the Principal Components owing from the relevant Borrower and/or scheduled to be paid after such date and (ii) the aggregate of all the Principal Components which are past due and unpaid as of such date and (B) with respect to any Portfolio and the Aggregate Portfolio, the aggregate of the Outstanding Principal as of such date of all the Claims comprised in the relevant Portfolio and the Aggregate Portfolio, respectively.

**Paying Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Paying Agent Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Paying Agent, (ii) setting out, *inter alia*, the EURIBOR applicable for the relevant Interest Period in respect of the Class A Notes and the Interest Payment Amounts; and (iii) to be delivered not later than the first day of each relevant Interest Period to, *inter alios*, the Issuer, the Servicer, the Hedging Counterparty, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Corporate Services Provider, the Irish Stock Exchange and Monte Titoli.

**Payment Date** means 20 March, 20 June, 20 September and 20 December of each year (or, if such day is not a Business Day, the immediately following Business Day).

**Payments Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Paying Agent or any other Eligible Institution into which, *inter alia*, the amounts standing to the credit of the other Collection Account and the Cash Reserve Account shall be transferred so as to be applied to make the payments due by the Issuer on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Payments Report** means the quarterly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement before the service of a Trigger Notice, (ii) setting out, *inter alia*, the Issuer Available Funds and all the payments to be made on the following Payment Date under the applicable Pre-Trigger Priority of Payments; and (iii) to be delivered by each Calculation Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Services Provider, the Representative of the Noteholders, the Custodian Bank, the Paying Agent, the Account Bank, the Hedging Counterparty, the Sole Arranger and the Rating Agencies.

**Pension Fund Tax** means an annual substitutive tax of 11 per cent. on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes) applied to Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005.

**Portfolio** means the Initial Portfolio or each of the Subsequent Portfolios, as the case may be, sold by the Originator to the Issuer pursuant to the Master Transfer Agreement.

**Portfolio Outstanding Amount** means, on any given date, the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio.

**Post-Trigger Issuer Available Funds** means, in respect of any Calculation Date after the service of a Trigger Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims, the Note Security and the Issuer's Rights under the Transaction Documents, but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction,

the amount deposited in the Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

**Post-Trigger Priority of Payments** means the order of priority in which the Post-Trigger Issuer Available Funds shall be applied following the service of a Trigger Notice in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

**Post Trigger Report** means the report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement after the service of a Trigger Notice; (ii) setting out the Issuer Available Funds and the payments and allocations to be made on the next Payment Date, in accordance with the Post-Trigger Priority of Payments; and (iii) to be delivered on or prior to each Calculation Date or upon request of the Representative of the Noteholders to, *inter alios*, the Issuer, the Servicer, the Corporate Services Provider, the Rating Agencies, the Sole Arranger, the Paying Agent, the Account Bank, the Hedging Counterparty and the Representative of the Noteholders.

**Pre-Trigger Interest Priority of Payments** means the order of priority in which the Interest Available Funds shall be applied prior to the service of a Trigger Notice in accordance with Condition 6.1 (*Priority of Payments – Pre-Trigger Interest Priority of Payments*).

**Pre-Trigger Principal Priority of Payments** means the order of priority in which the Principal Available Funds shall be applied prior to the service of a Trigger Notice in accordance with Condition 6.2 (*Priority of Payments – Pre-Trigger Principal Priority of Payments*).

**Pre-Trigger Priority of Payments** means, collectively, the Pre-Trigger Interest Priority of Payments and the Pre-Trigger Principal Priority of Payments.

**Prepayment Fees** means the fee due to the Originator by any Borrower opting for a voluntary prepayment of the relevant Loan.

**Previous Programme 2009** means the securitisation transaction structured in the form of a programme perfected by the Issuer in accordance with the Securitisation Law in December 2009 and named "€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme".

**Previous Securitisation 2011-1** means the securitisation transaction whereby the following notes were issued by the Issuer in March 2011: "€411,000,000 Class A – 2011-1 Asset-Backed Floating Rate Notes due 2025"; "€ 129,000,000 Class B – 2011-1 Asset-Backed Floating Rate Notes due 2025" and "€ 60,000,000 Class C – 2011-1 Asset-Backed Notes due 2025".

**Previous Securitisation 2011-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 12 October 2011: "€ 532,000,000 Class A – 2011-2 Asset-Backed Floating Rate Notes due 2023", "€ 95,000,000 Class B – 2011-2 Asset-Backed Floating Rate Notes due 2023" and "€ 323,000,000 Class C – 2011-2 Asset-Backed Notes due 2023".

**Previous Securitisation 2012-1** means the securitisation transaction whereby the following notes were issued by the Issuer on 23 July 2012: "€ 527,200,000 Class A – 2012-1 Asset-Backed Fixed Rate Notes due 2024"; "€ 56,500,000 Class B – 2012-1 Asset-Backed Fixed Rate Notes due 2024" and "€ 169,400,000 Class C – 2012-1 Asset-Backed Notes due 2024".

**Previous Securitisation 2012-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 30 October 2012: "€955,360,000 Class A – 2012-2 Asset Backed Fixed Rate Notes due 2030"; "€72,559,000 Class B – 2012-2 Asset Backed Fixed Rate Notes due 2030" and "€181,398,000 Class C – 2012-2 Asset Backed Notes due 2030"



**Previous Securitisation 2013-1** means the securitisation transaction whereby the following notes were issued by the Issuer on 18 November 2013: "Up to Euro 1,000,000,000 Asset-Backed Variable Funding Notes due 2035"

**Previous Securitisation 2013-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 18 November 2013: "Euro 254,820,000 Asset-Backed Notes due 2026"

**Previous Transactions** means the Previous Programme 2009, the Previous Securitisation 2011-1, the Previous Securitisation 2011-2, the .Previous Securitisation 2012-1, the Previous Securitisation 2012-2, the Previous Securitisation 2013-1 and the Previous Securitisation 2013-2.

**Previous Transactions Documents** means collectively the documents, deeds and agreements defined as "Transaction Documents" in the prospectus related to the Previous Transactions.

**Principal Amount Outstanding** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and
- (b) in relation to a Class, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding, regardless of Class.

**Principal Available Funds** means, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (a) the Principal Components received by the Issuer in respect of the Loans (other than Defaulted Claims) in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;
- (b) without duplication with paragraph (a) above, an amount equal to the Principal Components (other than those relating to Defaulted Claims) invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (c) the Principal Deficiency Ledger Amount calculated in respect of such Calculation Date;
- (d) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items (i) and (iii) of the Pre-Trigger Principal Priority of Payments, if any;
- (e) payments made to the Issuer by the Originator pursuant to the Warranty and Indemnity Agreement and/or the Master Transfer Agreement during the Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties;
- (f) any purchase price received by the Issuer in relation to the sale of any Claims (other than Defaulted Claims) made in accordance with the Master Transfer Agreement and the Warranty and Indemnity Agreement during the Collection Period immediately preceding such Calculation Date;

- (g) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such dates; and
- (h) any Interest Available Funds which have been allocated in or towards provision of the Principal Available Funds in accordance with the Pre-Trigger Interest Priority of Payments.

**Principal Factor** means, at any time and in respect of a Class of Notes, the fraction expressed as a decimal to the sixth point of which the numerator is the aggregate Principal Amount Outstanding of the relevant Class of Notes at such time and the denominator is the aggregate Principal Amount Outstanding of the relevant Class of Notes upon issue.

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

**Principal Deficiency Ledger Amount** means, the aggregate amounts retained in and/or credited to the Collection Account on the immediately following Payment Date pursuant to items (vii), (ix) and (xi) of the Pre-Trigger Interest Priority of Payments out of the Interest Available Funds.

**Principal Deficiency Ledgers** means, collectively, the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger and the Junior Notes Principal Deficiency Ledger.

**Principal Payments** has the meaning given in Condition 8.5 (*Redemption, purchase and cancellation - Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding*)

**Priority of Payments** means, collectively, the Pre-Trigger Priority of Payments and the Post-Trigger Priority of Payments.

**Privacy Law** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the **Personal Data Protection Code**) and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

**Prospectus** means the prospectus prepared in connection with the issue of the Notes.

**Prospectus Directive** means Directive 2003/71/EC.

**Purchase Price** the purchase price due by the Issuer to the Originator in respect of each Portfolio assigned and transferred pursuant to the Master Transfer Agreement, being equal to the sum of the Individual Purchase Price of all the Claims comprised in the relevant Portfolio.

**Purchase Termination Event** means any of the events referred to in Condition 15 (*Purchase Termination Events*).

**Purchase Termination Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Purchase Termination Event, in accordance with Condition 15 (*Purchase Termination Events*).

**Quota Capital Account** means the Euro denominated account opened by the Issuer with Santander Consumer Bank for the deposit of the Issuer's quota capital equal to € 10,000.

**Quotaholders** means the quotaholders of the Issuer, being Stichting Po River and Stichting Turin,

and **Quotaholder** means any of them.

**Shareholders Agreement** means the quotaholders agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Quotaholders, 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.

**Rated Noteholder** means the Holder of a Rated Note and **Rated Noteholders** means all of them.

**Rated Notes** means the Class A Notes and the Class B Notes, collectively.

**Rateo Amounts** means (i) in relation to the Initial Portfolio, interest accrued on the relevant Loans up to the Initial Valuation Date, but not yet due, for an overall amount equal to € 1,243,452.57; and (ii) in relation to each Subsequent Portfolio, interest accrued on the relevant Loans up to the relevant Valuation Date, but not yet due, the overall amount of which will be provided in the relevant Offer to Sell.

**Rating Agencies** means DBRS and Moody's, collectively, and **Rating Agency** means any of them.

**Realised Loss** means, as at the end of each Collection Period, in respect of a Claim which has become a Defaulted Claim during such Collection Period, the Outstanding Principal of such Defaulted Claim.

**Recoveries** means all amounts recovered in respect of the Defaulted Claims, including penalties and insurance proceeds.

**Reference Banks** means three (3) major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

**Regulation 22 February 2008** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 22 February 2008, as amended and supplemented from time to time.

**Representative of the Noteholders** means BNP Paribas Securities Services, Milan Branch or any other person acting as representative of the Noteholders.

**Retention Amount** means an amount equal to € 30,000.

**Revenue Eligible Investments Amount** means, as at each Liquidation Date, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of:

- (i) the Payment Date falling in June 2016 (excluded); and
- (ii) the date on which the Representative of the Noteholders serves a Purchase Termination Notice or a Trigger Notice on the Issuer.

**Rules of the Organisation of the Noteholders** means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Santander Consumer Bank** means Santander Consumer Bank S.p.A., a bank incorporated as joint stock company (*società per azioni*) organised under the laws of the Republic of Italy, registered with the Companies Register of Turin under No. 05634190010 and registered with the

register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 5496, parent company of the "Gruppo Bancario Santander Consumer Bank", registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under No. 3191.4, having its registered office at Via Nizza No. 262, 10126 Turin, Italy.

**Scheduled Instalment Date** means any date on which an Instalment is due.

**Screen Rate** has the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Secured Amounts** means all the amounts due, owing or payable by the Issuer, whether present or future, actual or contingent, to the Noteholders under the Notes and the Other Issuer Creditors pursuant to the relevant Transaction Documents.

**Secured Creditors** means the Noteholders and the Other Issuer Creditors.

**Secured Obligations** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**Securities Account** means the securities Eligible Account established in the name of the Issuer with the Custodian Bank or any other Eligible Institution into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Securities Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Custodian Bank, (ii) setting out certain information in relation to the Securities Account and (iii) to be delivered on or prior to each Securities Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider and the Computation Agent.

**Securities Account Report Date** means the second Business Day of each calendar month in each year, with the first Account Report Date falling on the second Business Day of July 2014.

**Securities Act** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**Securitisation** means the securitisation of the Claims made by the Issuer through the issuance of the Notes.

**Securitisation Law** means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**Security** means, the security interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**Security Documents** means the Italian Deed of Pledge and the English Deed of Charge and Assignment.

**Security Interest** means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

**Servicer** means Santander Consumer Bank or any other person acting as servicer pursuant to the Servicing Agreement from time to time.

**Servicer Report Date** means the date which is seven Business Days after the last day of each Collection Period.

**Servicer Termination Event** means any termination event of the Servicer as provided for by the Servicing Agreement.

**Servicer's Advance** means all amounts due and payable to the Servicer for the repayment of any loan extended to the Issuer under the Servicing Agreement.

**Servicer Report** means the quarterly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out information as to, *inter alia*, the Aggregate Portfolio and the Collections in respect of the preceding Collection Period and (iii) to be delivered by each Servicer Report Date to, *inter alios*, the Issuer, the Computation Agent, the Representative of the Noteholders, the Rating Agencies and the Account Bank.

**Servicer Report Delivery Failure Event** means the event which will have occurred upon the Servicer's failure to deliver the Servicer Report within three Business Days from the relevant Servicer Report Date *provided that* such event will cease to be outstanding when the Servicer delivers the Servicer Report.

**Servicer's Owner** means the entity owning the entire share capital of Santander Consumer Bank, such entity being, as at the Initial Execution Date, Santander Consumer Finance, S.A.

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

**Servicing Fee** means the fee payable by the Issuer to the Servicer, in accordance with the terms of the Servicing Agreement.

**Sole Affected Party** has the meaning ascribed to this term in the Hedging Agreement.

**Sole Arranger** means Banco Santander.

**Southern Italy** means the territories of the Italian regions of Campania, Basilicata, Puglia, Calabria, Sicily and Sardinia.

**Stichting Po River** means Stichting Po River, a Dutch foundation established under the laws of The Netherlands, having its registered office at Barbara Strozilaan 101, 1083 HN Amsterdam, The Netherlands.

**Stichting Turin** means Stichting Turin, a Dutch foundation established under the laws of The Netherlands having its registered office at Barbara Strozilaan 101, 1083 HN Amsterdam, The Netherlands.

**Stichtingen** means Stichting Po River and Stichting Turin, collectively, and **Quotaholder** means any of them.

**Stichtingen Corporate Services Provider** means Wilmington Trust or any other person acting as stichtingen corporate services provider pursuant to the Stichtingen Corporate Services Agreement from time to time.

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

**Subordinated Loan** means the limited recourse loan granted to the Issuer by the Subordinated Loan Provider in an amount of € 18,830,000 pursuant to the Subordinated Loan Agreement.

**Subordinated Loan Agreement** means the subordinated loan agreement entered into on or about the Issue Date between the Issuer and the Subordinated Loan Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Subordinated Loan Provider** means Santander Consumer Bank, in its capacity as subordinated loan provider pursuant to the Subordinated Loan Agreement and any of its permitted successors and assignees.

**Subsequent Criteria** means the objective criteria for the identification of the Claims comprised in the Subsequent Portfolios provided for by the Master Transfer Agreement, being the Common Criteria, and/or the Specific Criteria and, to be satisfied by such Claims as of the relevant Subsequent Valuation Date or as of such other date set out in the relevant Offer to Sell.

**Subsequent Portfolio** means each portfolio of Claims sold by the Originator to the Issuer after the sale of the Initial Portfolio, pursuant to the Master Transfer Agreement and **Subsequent Portfolios** means all of them.

**Subsequent Transfer Date** means, during the Revolving Period and in relation to each Subsequent Portfolio, the Payment Date, immediately succeeding the Acceptance Date relating to such Subsequent Portfolio.

**Supervisory Regulations for the Banks** means (i) the "*Istruzioni di Vigilanza per le banche*" issued by the Bank of Italy by Circular No. 229 of 21 April 1999, as amended and supplemented from time to time; and (ii) the "*Nuove disposizioni di vigilanza prudenziale per le banche*" issued by the Bank of Italy by Circular No. 263 of 27 December 2006, as amended and supplemented from time to time.

**Supervisory Regulations for Financial Intermediaries** means the "*Istruzioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy by Circular No. 216 of 5 August 1996, as amended and supplemented from time to time.

**Surveillance Report** means the report prepared by the Rating Agencies related to the Rated Notes required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

**T.A.N.** means, in respect of each Loan, the annual nominal rate of return (*tasso nominale annuo*).

**Target Cash Reserve Amount** means in respect of each Payment Date, the lower of:

- (a) € 18,800,000; and
- (b) the greater of:
  - (i) € 3,760,000; and
  - (ii) 5% of the aggregate Principal Amount Outstanding of the Notes as at such Payment Date (following payments under the Notes to be made on such Payment Date),

*provided that:*

- (A) notwithstanding the formula above, the Target Cash Reserve Amount may not be reduced below the level applicable as at the immediately preceding Payment Date, unless the following cumulative conditions are met in respect of a given Payment Date:

- (i) on the Payment Date on which the reduction will become effective, the Cash Reserve equals or exceeds the Target Cash Reserve Amount as at the relevant Payment Date (upon making all the payments and provisions to be made on such Payment Date);
  - (ii) the Principal Deficiency Ledgers are either zero or have been reduced to zero;
  - (iii) the Arrear Ratio for the immediately preceding Collection Period is equal to, or lower than, 4%;
  - (iv) at least 6 months have elapsed since the Issue Date; and
  - (v) the Revolving Period is already terminated; and
- (B) on the Calculation Date immediately following the Payment Date on which all the Rated Notes will be redeemed in full, the Target Cash Reserve Amount will be reduced to zero.

**Terms and Conditions** means these terms and conditions of the Notes.

**Transaction Documents** means the Master Transfer Agreement, the Underwriting Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Subordinated Loan Agreement, the Corporate Services Agreement, the Stichtingen Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the Intercreditor Agreement, the Hedging Agreement, the Italian Deed of Pledge, the English Deed of Charge and Assignment, the Mandate Agreement, the Master Definitions Agreement, the Terms and Conditions and the Prospectus.

**Trigger Event** means any of the events described in Condition 13 (*Trigger Events*).

**Trigger Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Trigger Event, in accordance with Condition 13 (*Trigger Events*).

**Unpaid Instalment** means, in respect of any given date and the Loans, an Instalment which, as at such date, is past due but not fully paid, and remains such for at least one calendar month following the date on which it should have been paid, under the terms of the relevant Loan.

**Used Vehicles** means (A) vehicles (including cars, motorbikes, campers and commercial vehicles having a weight not exceeding 35 quintals) registered in Italy for more than 12 months as at the date of execution of the relevant Loan Agreements; (B) boats registered with the R.I.D. (*Registro Imbarcazioni Diporto*) for more than 12 months as at the date of execution of the relevant Loan Agreements; and (C) used nautical engines.

**Usury Law** means, collectively, Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and Italian Law No. 24 of 28 February 2001, which converted into law the Law Decree No. 394 of 29 December 2000.

**Valuation Date** means, in respect of the Initial Portfolio the Initial Valuation Date and in respect of each Subsequent Portfolio, such date as will be indicated in the relevant Offer to Sell.

**Vehicles** means New Vehicles or Used Vehicles, or vehicles of both categories, as the context requires.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Initial Execution Date between the Originator and the Issuer 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.

**Wilmington Trust** means Wilmington Trust SP Services (London) limited, a private limited liability company incorporated under the laws of England, having its registered office at Third Floor, 1 King's Arms Yard London EC2R 7AF, United Kingdom.

### 3. **FORM, DENOMINATION AND TITLE**

#### 3.1 *Form*

The Notes are in bearer form and dematerialised and will be wholly and exclusively deposited with Monte Titoli, in accordance with article 83 *bis* of the Financial Laws Consolidated Act, through the authorised institutions listed in article 83 *quater* of such Financial Laws Consolidated Act.

#### 3.2 *Title*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption for the account of the relevant Monte Titoli Account Holder. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) article 83 *bis* of the Financial Laws Consolidated Act; and (ii) Regulation 22 February 2008. No physical document of title will be issued in respect of the Notes.

#### 3.3 *Denomination*

The Notes are issued in the denomination of € 100,000 and integral multiples of € 1,000 in excess thereof.

#### 3.4 *Rights arising from the Italian Deed of Pledge*

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

#### 3.5 *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

### 4. **STATUS, PRIORITY AND SEGREGATION**

#### 4.1 *Status*

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Aggregate Portfolio and the Issuer's Rights, and is subject to payment of the amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with the Notes. By holding the Notes, the Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and are deemed to accept the consequences thereof, including (but not limited to) the provisions of article 1469 of the Italian Civil Code.

#### 4.2 *Segregation*

4.2.1 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 Aggregate Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law) and, therefore, any amount deriving therefrom (to the extent identifiable) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.



4.2.2 In addition, the Notes have the benefit of security over certain monetary rights of the Issuer arising out of certain Transaction Documents and Accounts created pursuant to the Italian Deed of Pledge and the English Deed of Charge and Assignment.

#### 4.3 *Priority*

4.3.1 In respect of the obligation of the Issuer to pay interest on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

4.3.2 In respect of the obligation of the Issuer to repay principal on the Notes before the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes and the Class C Notes;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

4.3.3 In respect of the obligation of the Issuer to pay interest and repay principal on the Notes after the service of a Trigger Notice:

- (i) the Class A Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class B Notes, and the Class C Notes;
- (ii) the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves and in priority to the Class C Notes, but subordinated to the Class A Notes; and
- (iii) the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves, but subordinated to the Class A Notes and the Class B Notes.

#### 4.4 *Conflict of interest*

The Intercreditor Agreement and 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.

## 5. COVENANTS

### 5.1 *Covenants by the Issuer*

For so long as any Note remains outstanding, the Issuer, save with the prior written consent of the Representative of the Noteholders or as provided in or envisaged by these Terms and Conditions or any of the Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law), shareholders' meetings to be convened in order to:

- (i) *Negative pledge*: create or permit to subsist any Security Interest whatsoever upon, or with respect to the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation or undertakings (other than under the Note Security); or
- (ii) *Restrictions on activities*:
  - (A) without prejudice to Condition 5.2 (*Further securitisations and corporate existence*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in; or
  - (B) have any subsidiary (*società controllata*) or affiliate company (*società collegata*) (as defined in article 2359 of the Italian Civil Code) or any employees or premises; or
- (iii) *Disposal of assets*: without prejudice to Condition 5.2 (*Further securitisations and corporate existence*), transfer, sell, lend, part with or otherwise dispose of or deal with or grant any option over or any present or future right to acquire all or any part of the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation, whether in one transaction or in a series of transactions; or
- (iv) *Dividends or distributions*: pay any dividend or make any other distribution or return or repay any equity capital to its shareholder or increase its equity capital; or
- (v) *Borrowings*: without prejudice to Condition 5.2 (*Further securitisations and corporate existence*), incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any indebtedness or of any obligation of any person; or
- (vi) *Merger*: consolidate or merge with any other person or convey or transfer any of its properties or assets substantially as an entirety to any other person; or
- (vii) *Waiver or consent*:
  - (a) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or the priority of the Note Security created thereby to be reduced, amended, terminated or discharged; or
  - (b) consent to any variation or novation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Transaction Documents to which it is a party; or
  - (c) permit any party to any of the Transaction Documents to which it is a party, or any other person whose obligations form part of the Note Security, to be released from its respective obligations or to dispose of any part of the Note Security, save as envisaged by the Transaction Documents to which it is a party; or
- (viii) *Bank accounts*: with the exception of the Equity Capital Account and such other accounts that the Issuer may have opened or may open in the future in the context of any securitisation transactions other than the Securitisation and without prejudice to Condition

5.2 (*Further securitisations and corporate existence*), have an interest in any bank account other than the Accounts and the Collateral Account, unless such account is opened in an EU Member State and is pledged, charged or ring-fenced, by operation of law or otherwise, in favour of the Noteholders and the Other Issuer Creditors on terms acceptable to the Representative of the Noteholders; or

- (ix) *Statutory documents*: amend, supplement or otherwise modify its by-laws (*statuto*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by competent regulatory authorities; or
- (x) *Corporate records, financial statements and books of account*: permit or consent to any of the following occurring:
  - (a) its books and records being maintained with or co-mingled with those of any other person or entity; or
  - (b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or
  - (c) its books and records (if any) relating to the Securitisation being maintained with or co-mingled with those relating to any other securitisation transaction perfected by the Issuer; or
  - (d) its assets or revenues being co-mingled with those of any other person or entity;and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:
  - (1) separate financial statements in relation to its financial affairs are maintained;
  - (2) all corporate formalities with respect to its affairs are observed;
  - (3) separate stationery, invoices and cheques are used;
  - (4) it always holds itself out as a separate entity; and
  - (5) any known misunderstandings regarding its separate identity are corrected as soon as possible; or
- (xi) *Residency and centre of main interests*: do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the Republic of Italy or cease to be managed and administered in the Republic of Italy or cease to have its centre of main interests in the Republic of Italy; or
- (xii) *Compliance with corporate formalities*: cease to comply with all necessary corporate formalities.

## 5.2 *Further Securitisations and corporate existence*

5.2.1 Nothing in these Terms and Conditions or the Transaction Documents shall prevent or restrict the Issuer from:

- (i) acquiring or financing, pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to the Securitisation, further portfolios of monetary claims in addition to the Claims either from the Originator or from any other entity (the "**Further Portfolios**") or entering into one or more bridge loans for the purposes of purchasing Further Portfolios;
- (ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**"); and

- (iii) entering into agreements and transactions, with the Originator or any other entity, that are incidental to or necessary in connection with such Further Securitisation, including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"),

*provided that:*

- (D) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;
- (E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer limited to some or all of the assets comprised in such Further Security;
- (F) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;
- (G) (i) Moody's gives written confirmation to the Representative of the Noteholders that neither the acquisition or financing, as the case may be, of such Further Portfolio nor the issue of such Further Notes would adversely affect the then current rating of the Rated Notes and (ii) DBRS is notified thereof;
- (H) the Issuer confirms in writing to the Representative of the Noteholders that the actions provided for by paragraph (G) above have been performed and that the terms and conditions of such Further Notes will include:
  - (I) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and
  - (II) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this proviso; and
- (I) the Representative of the Noteholders is satisfied that conditions (A) to (E) of this proviso have been satisfied.

In confirming that conditions (A) to (E) of this proviso have been satisfied, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the holders of the Notes and may rely on any written confirmation from the Issuer as to the matters contained therein.

- 5.2.2 None of the covenants in Condition 5.1 (*Covenants by the Issuer*) shall prohibit the Issuer from (i) carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to or (ii) performing its obligations under the Previous Transactions Documents in accordance with their terms.

## 6. PRIORITY OF PAYMENTS

### 6.1 *Pre-Trigger Interest Priority of Payments*

Prior to the service of a Trigger Notice, the Interest Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
  - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer's business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by Santander Consumer Bank under the Transaction Documents);
  - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
  - (C) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders or any appointee thereof; and
  - (D) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of any and all other amounts due and payable to the Paying Agent, the Computation Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Account Bank, the Custodian Bank, the Servicer and any further Other Issuer Creditors, each under the Transaction Document(s) to which each of them is a party (save as otherwise provided under other items of this priority of payments);
- (iv) *fourth*, in or towards satisfaction of any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Servicer pursuant to the terms of the Servicing Agreement, other than the amounts due to the Servicer in respect of (i) the Servicer's Advance (if any) under the terms of the Servicing Agreement and (ii) the insurance premiums, if any, advanced by Santander Consumer Bank in its capacity as Servicer under the terms of the Servicing Agreement;

- (v) *fifth*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, *provided that* upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);
- (vi) *sixth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;
- (vii) *seventh*, in or towards reduction of the Class A Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;
- (viii) *eighth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class B Notes;
- (ix) *ninth*, in or towards reduction of the Class B Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;
- (x) *tenth*, following the occurrence of a Servicer Report Delivery Failure Event, but only if, on such Payment Date, the Servicer Report Delivery Failure Event is still outstanding, to credit to or retain in, as the case may be, all amounts to the Collection Account;
- (xi) *eleventh*, in or towards reduction of the Junior Notes Principal Deficiency Ledger to zero by crediting such amount to and/or retaining such amount in the Collection Account;
- (xii) *twelfth*, to credit the Cash Reserve Account with the amount required, if any, such that the Cash Reserve equals the Target Cash Reserve Amount;
- (xiii) *thirteenth*, in or towards provision of the Principal Available Funds in an amount equal to the portion of the Principal Available Funds used under item (ii) of the Pre-Trigger Principal Priority of Payments on the immediately preceding Payment Date or on any previous Payment Date, to the extent that such amount has not already been fully provided for on the preceding Payment Dates;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement;
- (xv) *fifteenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item (v) above;
- (xvi) *sixteenth*, in or towards satisfaction of all amounts of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xvii) *seventeenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xviii) *eighteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to Santander Consumer Bank in respect of the Originator's Claims (if any) under the terms of the Master Transfer Agreement and the Warranty and Indemnity Agreement;
- (xix) *nineteenth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to the Servicer in respect of:
  - (A) the Servicer's Advance (if any) under the terms of the Servicing Agreement; and

- (B) the insurance premiums, if any, advanced by Santander Consumer Bank in its capacity as Servicer under the terms of the Servicing Agreement;
- (xx) *twentieth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Trigger Interest Priority of Payments); and
- (xxi) *twenty-first*, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Interest Amount due and payable on the Junior Notes.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Cash Allocation, Management and Payment Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

## 6.2 *Pre-Trigger Principal Priority of Payments.*

Prior to the service of a Trigger Notice, the Principal Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Payment Date immediately following such Calculation Date in making payment or provision in the following order of priority but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *first*, if a Servicer Report Delivery Failure Event has occurred and is still outstanding, to credit all the Principal Available Funds to, or retain in, the Collection Account;
- (ii) *second*, in or towards provision of the Interest Available Funds, to pay all the amounts due under items *first* to (ix) (included) of the Pre-Trigger Interest Priority of Payments, to the extent not paid under such priority of payments due to insufficiency of Interest Available Funds;
- (iii) *third*, during the Revolving Period, in or towards payment to the Originator of the amount due as Purchase Price Amount in respect of the Subsequent Portfolios purchased under the Master Transfer Agreement and, thereafter, to credit to and/or retain in the remainder of the Principal Available Funds the Collection Account;
- (iv) *fourth*, during the Amortising Period, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (v) *fifth*, during the Amortising Period, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (vi) *sixth*, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement, to the extent not paid under item (xiv) of the Pre-Trigger Interest Priority of Payments;
- (vii) *seventh*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement, to the extent not paid under item (xvii) of the Pre-Trigger Interest Priority of Payments;

- (viii) *eighth*, during the Amortising Period, upon repayment in full of the Class A Notes and the Class B Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of such Junior Notes is equal to € 30,000;
- (ix) *ninth*, on the Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until such Junior Notes are repaid in full; and
- (x) *tenth*, up to, but excluding, the Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu* of the Junior Notes Additional Remuneration (if any) due and payable on the Junior Notes.

### 6.3 *Post-Trigger Priority of Payments*

Following the service of a Trigger Notice, or, in the event that the Issuer opts for the early redemption of the Notes issued under the Securitisation under Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation or Unlawfulness*), the Post-Trigger Available Funds as calculated on each Calculation Date will be applied by or on behalf of the Representative of the Noteholders on the Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority but, in each case, only if and to the extent that payments of a higher priority have been made in full

- (i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not paid by Santander Consumer Bank under the Transaction Documents);
- (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:
  - (A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations to third parties (not being Other Issuer Creditors) incurred in the course of the Issuer's business in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
  - (B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with the listing, deposit or ratings of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs and to the extent not already paid by Santander Consumer Bank under the Transaction Documents);
  - (C) any and all outstanding fees, costs and expenses of and all other amounts due and payable to the Representative of the Noteholders or any appointee thereof; and
  - (D) the amount necessary to replenish the Expenses Account up to the Retention Amount;
- (iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of any and all other amounts due and payable to the Paying Agent, the Computation Agent, the Corporate



Services Provider, the Stichtingen Corporate Services Provider, the Account Bank, the Custodian Bank, the Servicer and any further Other Issuer Creditors, each under the Transaction Document(s) to which each of them is a party (save as otherwise provided under other items of this priority of payments);

- (iv) *fourth*, to pay to the Hedging Counterparty the amounts due and payable under the Hedging Agreement (including any hedging termination payments upon early termination of the Hedging Agreement due to the Hedging Counterparty, *provided that* upon the occurrence of a Hedging Subordination Event the amount applied under this paragraph in respect of such termination payments shall not exceed the amount of any Net Hedging Replacement Premium);
- (v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class A Notes at such date;
- (vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (vii) *seventh*, upon repayment in full of the Class A Notes, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable in respect of interest (including any interest accrued but unpaid) on the Class B Notes at such date;
- (viii) *eighth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (ix) *ninth*, upon repayment in full of the Class B Notes, in or towards satisfaction of all amounts due and payable to the Subscriber under the terms of the Underwriting Agreement;
- (x) *tenth*, to pay to the Hedging Counterparty any hedging termination payments due under the Hedging Agreement other than any amounts payable under item (iv) above;
- (xi) *eleventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to Santander Consumer Bank in respect of the Originator's Claims (if any) under the terms of the Master Transfer Agreement and the Warranty and Indemnity Agreement;
- (xii) *twelfth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts due and payable to the Servicer in respect of:
  - (A) the Servicer's Advance (if any) under the terms of the Servicing Agreement; and
  - (B) the insurance premiums, if any, advanced by Santander Consumer Bank in its capacity as Servicer under the terms of the Servicing Agreement;
- (xiii) *thirteenth*, in or towards satisfaction of all amounts of: interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xiv) *fourteenth*, in or towards satisfaction of all amounts of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;
- (xv) *fifteenth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of such Junior Notes is equal to € 30,000;
- (xvi) *sixteenth*, on the Cancellation Date, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes are redeemed in full; and

- (xvii) *seventeenth*, up to, but excluding, Cancellation Date, in or towards satisfaction, *pro rata* and *pari passu*, of the Junior Notes Interest Amount (if any) due and payable on the Junior Notes,

*provided that*, if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of the Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement and the Cash Allocation, Management and Payment Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date.

#### 6.4 *Principal Deficiency Ledgers*

On each Calculation Date, the Computation Agent will record the Realised Losses arisen in connection with the immediately preceding Collection Period in the Principal Deficiency Ledgers by debiting any Realised Loss as follows:

- (i) *first*, to the Junior Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Junior Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Junior Notes (taking into account any Realised Loss previously debited to such Junior Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments);
- (i) *second*, to the Class B Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class B Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class B Notes (taking into account any Realised Loss previously debited to such Class B Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments); and
- (ii) *third*, to the Class A Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class A Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class A Notes (taking into account any Realised Loss previously debited to such Class A Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Trigger Interest Priority of Payments).

## 7. **INTEREST**

### 7.1 *Interest of the Class A Notes and the Class B Notes*

Each Class A Note and each Class B Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Class A Rate of Interest in respect of the Class A Notes and the Class B Rate of Interest in respect of the Class B Notes. Such interest 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, in each case, subject to the applicable Priority of Payments and Condition 10 (*Payments*). 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.

### 7.2 *Cessation of accrual of interest of the Class A Notes and the Class B Notes*

Each Class A Note and each Class B Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and

payable but unpaid is improperly withheld or refused, in which case, each Class A Note and each Class B Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition 7 (*Interest*) (both before and after judgment) at the rate from time to time applicable to such Class A Note and Class B Note until the day on which either all sums due in respect of such Class A Note and Class B Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

### 7.3 *Rate of Interest of the Class A Notes and the Class B Notes*

7.3.1 The floating rate of interest applicable from time to time in respect of the Class A Notes (the "**Class A Rate of Interest**") for each Interest Period will be the aggregate of

- (1) a margin (the "**Margin**") of 1.1 per cent. per annum; and
- (2) the following rate (the "**EURIBOR**"):
  - (a) the Euro-Zone inter-bank offered rate for three month Euro deposits which appears on:
    - (i) Bloomberg Page EUR003M index in the menu BTMMEU (except in respect of the Initial Interest Period where it shall be the rate per annum obtained by linear interpolation of the Euro-Zone inter-bank offered rate for three and six month deposits in Euro (rounded to four decimal places with the mid-point rounded up) which appear on EUR003M and EUR006M in the menu BTMM EU); or
    - (ii) such other page as may replace the relevant Bloomberg Page on that service for the purpose of displaying such information; or
    - (iii) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the relevant Bloomberg Page,  
  
at or about 11.00 a.m. (Brussels time) on the Interest Determination Date (the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**"); or
  - (b) 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 determined as follows:
    - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the 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 that date; or
    - (ii) if only two of the Reference Banks provide such offered quotations to the Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

- (iii) if only one of the Reference Banks provides the Paying Agent with such an offered quotation, the Class A Rate of Interest for the relevant Interest Period shall be the Class A Rate of Interest in effect for the immediately preceding Interest Period which one of sub-paragraph (i) or (ii) above shall have been applied to.

7.3.2 The fixed rate of interest applicable from time to time in respect of the Class B Notes (the "**Class B Rate of Interest**") for each Interest Period will be 1.30 per cent. per annum.

#### 7.4 *Junior Notes Interest Amount and Junior Notes Additional Remuneration*

The Junior Notes will accrue and be entitled to the payment of, for each Interest Period, respectively:

- (i) the Junior Notes Interest Amount (if any), but only prior to the service of a Trigger Notice; and
- (ii) the Junior Notes Additional Remuneration (if any), both prior to and following the service of a Trigger Notice or in the event that the Issuer opts for the early redemption of the Notes under Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) or Condition 8.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation or Unlawfulness*).

The Junior Notes Interest Amount (if any) and the Junior Notes Additional Remuneration (if any) will be payable in Euro in arrears on each Payment Date, subject to the applicable Priority of Payments and Condition 10 (*Payments*).

#### 7.5 *Determination of interest of the Class A Notes and the Class B Notes, Junior Notes Interest Amount and Junior Notes Additional Remuneration*

In relation to each Interest Period:

- (i) on each Interest Determination Date, the Paying Agent shall determine
  - (a) the EURIBOR and the Class A Rate of Interest applicable to the Interest Period beginning after such Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date) in respect of the Class A Notes,
  - (b) the Euro amount (the "**Interest Payment Amount**") payable per Calculation Amount as interest on each Class A Note and Class B Note in respect of such Interest Period; and
  - (c) the Payment Date in respect of the Notes; and
- (ii) on each Calculation Date, the Computation Agent shall determine the Junior Notes Interest Amount (if any) and the Junior Notes Additional Remuneration (if any) payable per Calculation Amount in respect of such Interest Period on the next Payment Date.

#### 7.6 *Notification and publication of amounts of interest payable in respect of the Class A Notes and the Class B Notes*

Promptly after the determination provided for by Condition 7.5(i) (and in any event not later than the first day of each relevant Interest Period) the Paying Agent will notify via electronic mail and facsimile transmission the Paying Agent Report (setting out the above-mentioned EURIBOR, Class A Notes the Rate of Interest, Interest Payment Amounts of the Class A Notes and of the Class B Notes and the relevant Payment Date) to the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Corporate Services Provider, the

Hedging Counterparty, Monte Titoli, the Rating Agencies and the Irish Stock Exchange and will cause the same to be published in accordance with Condition 17 (*Notices*). For each of the Class A Notes and the Class B Notes, the amount of interest payable per Calculation Amount for each Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Representative of the Noteholder by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Class A Notes and the Class B Notes become due and payable under Condition 13 (*Trigger Events*), the accrued interest per Calculation Amount payable in respect of the Class A Notes and the Class B Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 7 (*Interest*), but no publication of the amounts of interest payable per Calculation Amount so calculated need be made unless the Representative of the Noteholders or the rules of the Irish Stock Exchange otherwise require.

7.7 *Notification of Junior Notes Interest Amount and the Junior Notes Additional Remuneration*

The Computation Agent will cause the Junior Notes Interest Amount (if any) and the Junior Notes Additional Remuneration (if any) applicable for each Interest Period to be notified promptly after determination to, *inter alios*, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank and the Corporate Services Provider (through the Payments Report or the Post-Trigger Report).

7.8 *Calculation of interest in respect of the Class A Notes and the Class B Notes*

Interest in respect of the Class A Notes and the Class B Notes shall be calculated per Calculation Amount. The Interest Payment Amount payable per Calculation Amount in respect of the Class A Notes and the Class B Notes for any Interest Period shall be an amount equal to the product of:

$$R \times CA \times PF \times DCF$$

(where "R" is the applicable Rate of Interest for the Relevant Class, "CA" is the Calculation Amount, "PF" is the applicable Principal Factor for the Relevant Class on the first day of such Interest Period after any repayments of principal made on such day and "DCF" is the Relevant Day-Count Fraction) rounded down to the nearest cent. The amount of interest payable per each Note for any period shall be an amount equal to the product of:

$$RA \times (D/CA)$$

(where "RA" is the amount of interest payable per Calculation Amount in respect of such Class of Rated Notes for such Interest Period, "D" is the denomination of such Class of Rated Notes and "CA" is the Calculation Amount in respect of such Class of Rated Notes).

7.9 *Calculation in respect of the Junior Notes*

The Junior Notes Interest Amount (if any) and Junior Notes Additional Remuneration (if any) payable in respect of the Junior Notes on any Payment Date shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Payment Date to be applied towards payment of, respectively, the Junior Notes Interest Amount and the Junior Notes Additional Remuneration equal to the proportion that the Calculation Amount in respect of the Junior Notes bears to the aggregate Principal Amount Outstanding of all the Junior Notes upon issue, rounded down to the nearest cent. The amount of interest payable per Junior Note on any Payment Date shall be:

- (i) with respect to the Junior Notes Interest Amount, an amount equal to the product of:

$$JNIA \times (D/CA)$$

(where "JNIA" is the Junior Notes Interest Amount payable per Calculation Amount in respect of the Junior Notes on such Payment Date, "D" is the denomination of the Junior Notes and "CA" is the Calculation Amount in respect of the Junior Notes); and

- (ii) with respect to the Junior Notes Additional Remuneration, an amount equal to the product of:

$JNAR \times (D/CA)$

(where "JNAR" is the Junior Notes Additional Remuneration payable per Calculation Amount in respect of the Junior Notes on such Payment Date, "D" is the denomination of the Junior Notes and "CA" is the Calculation Amount in respect of the Junior Notes).

#### 7.10 *Interest Amount Arrears*

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer a Trigger Notice pursuant to Condition 13(i) (*Trigger Events - Non-payment*), prior to the service of a Trigger Notice, in the event that on any Payment Date there are any Interest Amount Arrears, such Interest Amount Arrears shall be deferred on the following Payment Date or on the day a Trigger Notice is served to the Issuer, whichever comes first. Any such Interest Amount Arrears shall not accrue additional interest. A *pro rata* share of such Interest Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition 7 (*Interest*) as if it were, interest due, subject to this paragraph, on each Class A Note and Class B Note on the next succeeding Payment Date.

If, subject to and upon receipt of the Payments Report from the Computation Agent, the Paying Agent determines that on a Payment Date there will be any Interest Amount Arrears in respect of any Class of Rated Notes, then, (i) no later than the Business Day prior to such Payment Date, notice to this effect will be promptly given to the Computation Agent, the Issuer, the Representative of the Noteholders, Monte Titoli and the Irish Stock Exchange and (ii) notice to this effect will be given to the Noteholders in accordance with Condition 17 (*Notices*).

#### 7.11 *Determination or calculation by the Representative of the Noteholders*

If the Paying Agent does not calculate at any time for any reason the EURIBOR, the Class A Rate of Interest or the Interest Payment Amount in respect of any Class of Rated Notes payable per Calculation Amount for an Interest Period or any Interest Amount Arrears, the Representative of the Noteholders shall do so and such determinations or calculations shall be deemed to have been made by the Paying Agent. In doing so, the Representative of the Noteholders shall apply the foregoing provisions of this Condition 7 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

#### 7.12 *Extension or shortening of Interest Periods*

The Paying Agent will be entitled to recalculate any interest payment amount or any Interest Amount Arrears (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

#### 7.13 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Paying Agent, the Computation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders

shall attach to the Paying Agent, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

#### 7.15 *Service of a Trigger Notice*

Following the service of a Trigger Notice, to the extent permitted under Italian law, each Note will bear interest as set out in this Condition 7 (*Interest*), *provided that* such interest will be payable in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*) and subject to Condition 10 (*Payments*) and *provided further that*, to the extent that the methodology for determining EURIBOR in respect of the Class A Notes and for calculating the interest from time to time accrued on the Notes, as set out in this Condition 7 (*Interest*), is inconsistent or otherwise conflicting with the Post-Trigger Priority of Payments and the actual dates on which the payments provided thereunder will be made, the Paying Agent and/or the Representative of the Noteholders may (without incurring, in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result) agree (but shall not be bound to do so) an alternative methodology (which will be binding on the Issuer and the Noteholders) which comes as close as reasonably possible to the one set out in this Condition 7 (*Interest*).

#### 7.15 *Reference Banks and Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Paying Agent is appointed a notice will be published in accordance with Condition 17 (*Notices*). In addition, the Issuer shall ensure that, so long as any of the Class A Notes remain outstanding, there shall at all times be three Reference Banks. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place.

#### 7.16 *Unpaid interest in respect of the Notes*

Unpaid interest on the Notes shall accrue no interest.

### 8. **REDEMPTION, PURCHASE AND CANCELLATION**

#### 8.1 *Final Maturity Date*

8.1.1 Unless previously redeemed in full or cancelled in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*), the Notes are due to be repaid in full at their Principal Amount Outstanding (together with interest accrued and unpaid thereon) on the Final Maturity Date, being the Payment Date falling in December 2030.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Condition 8.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*), 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*), but without prejudice to Condition 13 (*Trigger Events*).

#### 8.2 *Mandatory Redemption*

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on the Payment Date falling in June 2016 and on each Payment Date thereafter, in accordance with this Condition 8.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*), if and to the extent that on each such Payment Dates there will be sufficient Issuer Principal Available Funds which may be applied towards redemption of the Notes pursuant to the applicable Priority of Payments.

### 8.3 *Optional Redemption*

8.3.1 Unless previously redeemed in full, the Issuer, having given not less than 25 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the Junior Noteholders' consent, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon, starting from the earlier of the following Payment Dates (and on each Payment Date thereafter): (a) the Payment Date on which the Portfolio Outstanding Amount is equal to, or less than, 10% of the Initial Portfolio Outstanding Amount and (b) the Payment Date on which the Principal Amount Outstanding of the Notes is equal to, or less than, 10% of such Principal Amount Outstanding as of the Issue Date.

Such early redemption of the Notes will be made in accordance with the Post-Trigger Priority of Payments and subject to the Issuer having produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person and net of the then applicable Prepayment Amount and of the amount standing on the Expenses Account) to discharge all of its outstanding liabilities in respect of all of the Notes (or all of the Rated Notes and all or, subject to the Junior Noteholders' consent, none or part of the Junior Notes) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

8.3.2 In order to fund the early redemption of the Notes in accordance with this Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*), the Issuer may sell the Aggregate Portfolio to the Originator pursuant to the Call Option provided for by the Master Transfer Agreement.

### 8.4 *Redemption for Taxation or Unlawfulness:*

8.4.1 Prior to the service of a Trigger Notice, the Issuer, having given not less than 30 days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 17 (*Notices*), may redeem the Rated Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the Junior Noteholders' consent, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon, on any Payment Date falling after the date on which the Issuer has produced evidence acceptable to the Representative of the Noteholders that:

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



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

Such early redemption of the Notes will be made in accordance with the Post-Trigger Priority of Payments and subject to the Issuer having produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person and net of the then applicable Prepayment Amount and of the amount standing on the Expenses Account) to discharge all of its outstanding liabilities in respect of all of the Notes (or all of the Rated Notes and all or, subject to the Junior Noteholders' consent, none or part of the Junior Notes) and any amount required to be paid under the Post-Trigger Priority of Payments in priority thereto or *pari passu* therewith.

8.4.2 In order to fund the early redemption of the Notes in accordance with this Condition 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*), the Issuer may, or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, sell the Aggregate Portfolio or any part thereof, subject to the terms and conditions of the Intercreditor Agreement. Moreover, pursuant to such agreement, in any such case, Santander Consumer Bank shall have a pre-emption right for the purchase of the Aggregate Portfolio (or the relevant part thereof to be sold).

## 8.5 *Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding*

8.5.1 On each Calculation Date, the Issuer shall procure that the Computation Agent determines:

- (i) the amount of the Issuer Available Funds;
- (ii) the principal payment (if any) due on the Notes on the next following Payment Date; and
- (iii) the Principal Amount Outstanding of the Notes on the next following Payment Date (after deducting any principal payment due to be made on such Payment Date).

8.5.2 Each determination by (or on behalf of) the Issuer of the Issuer Available Funds, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

8.5.3 The Issuer will, on each Calculation Date, cause the determination of a principal payment on the Notes (if any), the Principal Amount Outstanding of the Notes to be notified by the Computation Agent (through the Payments Report) to the Representative of the Noteholders, the Rating Agencies, the Paying Agent and the Irish Stock Exchange. The Issuer will cause notice of each determination of a principal payment on the Notes and of Principal Amount Outstanding of the Notes to be given to Monte Titoli and in accordance with Condition 17 (*Notices*).

8.5.4 The principal amount redeemable in respect of the Notes of a particular Class on any Payment Date (each a "**Principal Payment**") shall be calculated per Calculation Amount and shall be an amount equal to such proportion of the amount required as at that Payment

Date to be applied towards redemption of such Class of Notes equal to the proportion that the Calculation Amount in respect of such Class of Notes bears to the aggregate Principal Amount Outstanding of all the Notes of such Class upon issue, rounded down to the nearest cent, provided that no amount of principal payable in respect of a Note may exceed the Principal Amount Outstanding of such Note. The amount of principal payable per Note of a particular Class on any Payment Date shall be an amount equal to the product of:

$PP \times (D/CA)$

(where "PP" is the Principal Payment payable per Calculation Amount in respect of such Class of Notes on such Payment Date, "D" is the denomination of such Notes and "CA" is the Calculation Amount in respect of such Class of Notes).

8.5.6 If no principal payment on the Notes or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 8.5 (*Redemption, Purchase and Cancellation - Note Principal Payments, Redemption Amounts and Principal Amount Outstanding*), such principal payment on the Notes and Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer.

#### 8.6 *Notice of redemption*

Any notice of redemption as set out in Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*) and 8.4 (*Redemption, Purchase and Cancellation - Redemption for Taxation or Unlawfulness*) must be given in accordance with Condition 17 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*).

#### 8.7 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

#### 8.8 *Cancellation*

8.8.1 The Notes shall be cancelled on the Cancellation Date, being the earlier of:

- (i) the date on which the Notes have been redeemed in full;
- (ii) the Final Maturity Date; and
- (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer,

at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

8.8.2 Upon cancellation the Notes may not be resold or re-issued.

### 9. **NON PETITION AND LIMITED RECOURSE**

#### 9.1 *Non Petition*

The Representative of the Noteholders only may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of any obligation of the Issuer deriving

from any of the Transaction Documents or enforce the Note Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of any such obligation or to enforce the Note Security, save as provided by the Transaction Documents and the Rules of the Organisation of the Noteholders. In particular, save as expressly permitted by the Transaction Documents and the Rules of the Organisation of the Noteholders, no Noteholder:

- (i) shall be entitled to direct the Representative of the Noteholders to enforce the Note Security or take any proceedings against the Issuer to enforce the Note Security;
- (ii) shall be entitled 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 to it; provided however that this paragraph (ii) shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an insolvency receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer;
- (iii) shall be entitled until the date falling one year plus one day after the date on which all the Notes, the Previous Notes and all the asset backed notes issued in the context of any Further Securitisation have been redeemed in full or cancelled, to cause, initiate or join any person in initiating an Insolvency Event in relation to the Issuer, provided however that this paragraph (iii) shall not prejudice the right of any Noteholder to prove a claim in an insolvency of the Issuer where such insolvency follows the institution of an insolvency proceeding by a third party; and
- (iv) shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step that would result in the Priority of Payments not being observed.

## 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:

- (i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the applicable 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 amounts which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with such sums payable to such Noteholder; and
- (iii) upon the Servicer giving notice to the Issuer and the Noteholders in accordance with Condition 17 (*Notices*) that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security (whether arising from an enforcement of the Note Security or otherwise) which would be available to pay unpaid 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. The provisions of this Condition 9.2(iii) are subject to none of the Noteholders objecting to such determination of the Servicer for reasonably grounded reasons within 30 days from notice thereof. If any Noteholder objects such determination within such term, then the Servicer shall request an independent third party to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Note Security which would be available

to pay unpaid amounts outstanding under the Transaction Documents. Such determination shall be definitive and binding for all the Noteholders.

## 10. **PAYMENTS**

### 10.1 *Payments through Monte Titoli, Euroclear and Clearstream*

Payment of principal and interest in respect of the Notes, as well as of any Junior Notes Additional Interest Amount and Junior Notes Additional Remuneration in respect of the Junior Notes, will be credited by the Paying Agent on behalf of the Issuer, according to the instructions of Monte Titoli, to the accounts of those banks and authorised brokers whose Monte Titoli accounts are credited with such Notes and, thereafter, credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of such Notes or through Euroclear and Clearstream to the accounts of the beneficial owners of such Notes held with Euroclear and Clearstream, in each case, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

### 10.2 *Payments subject to tax laws*

Payment of principal and interest in respect of the Notes, as well as of any Junior Notes Additional Interest Amount and Junior Notes Additional Remuneration in respect of the Junior Notes, are subject in all cases to any fiscal or other laws and regulations applicable thereto.

### 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 *Variation of Paying Agent and of Computation Agent*

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and/or the Computation Agent and to appoint a substitute Paying Agent and/or Computation Agent, as the case may be. The Issuer will cause at least 30 days' prior notice of any replacement of the Paying Agent and/or the Computation Agent to be given in accordance with Condition 17 (*Notices*).

## 11. **TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

## 12. **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.

## 13. **TRIGGER EVENTS**

### 13.1 *Trigger Events*

The occurrence of any of the following events shall constitute a Trigger Event:

- (i) *Non payment*: the Issuer defaults in the payment of any amount of interest due and/or principal due and payable in respect of 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*: the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation specified in paragraph (i) above) which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (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 have to be given); or
- (iii) *Breach of representations and warranties by the Issuer*: any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within fifteen days after the Representative of the Noteholders has served notice requiring remedy (except where, in the sole opinion of the Representative of the Noteholders, the breach of the relevant representation is not capable of remedy in which case no notice requiring remedy will have to be given); or
- (iv) *Insolvency of the Issuer*: an Insolvency Event occurs in respect of the Issuer; or
- (v) *Unlawfulness*: it is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

### 13.2 *Trigger Notice*

Upon the occurrence of a Trigger Event, the Representative of the Noteholders may at its sole discretion or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders, serve a Trigger Notice to the Issuer. Upon the service of a Trigger Notice, the Post-Trigger Available Funds shall be applied in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

## 14. **ACTIONS FOLLOWING THE SERVICE OF A TRIGGER NOTICE**

### 14.1 *Actions of the Representative of the Noteholders*

At any time after a Trigger Notice has been served, the Representative of the Noteholders may (or shall, if so requested or authorised by an Extraordinary Resolution of the Most Senior Class of Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.3 (*Priority of Payments - Post-Trigger Priority of Payments*).

### 14.2 *Notifications, Determinations and Liability of the Representative of the Noteholders*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 13 (*Trigger Events*) or this Condition 14 (*Actions following the service of a Trigger Notice*) by the Representative of the Noteholders shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer

shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

#### 14.3 *Actions against the Issuer*

No Noteholder shall be entitled to proceed directly against the Issuer, save as provided in these Terms and Conditions and the Rules of the Organisation of the Noteholders.

#### 14.4 *Limited claims against the Issuer*

If the Representative of the Noteholders takes action to ensure the Noteholders' rights in respect of the Aggregate Portfolio and the Issuer's Rights and after payment of all other claims ranking in priority to the Notes under these Terms and Conditions and the Intercreditor Agreement, if the remaining proceeds of such action (the Representative of the Noteholders having taken action to ensure the Noteholders' rights in respect of the entire Aggregate Portfolio and all the Issuer's Rights) are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes and all other claims ranking *pari passu* therewith, then the Noteholders' claims against the Issuer will be limited to their *pro rata* share of such remaining proceeds (if any) and the obligations of the Issuer to the Noteholders will be discharged in full and any amount in respect of principal, interest or other amounts due under the Notes will be finally and definitively cancelled.

#### 14.5 *Disposal of the Aggregate Portfolio*

Following the service of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Noteholders) direct the Issuer to, dispose of the Aggregate Portfolio, subject to the terms and conditions of the Intercreditor Agreement.

### 15. **PURCHASE TERMINATION EVENTS**

#### 15.1 *Purchase Termination Events*

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

- (i) *Breach of obligations by the Originator:* the Originator defaults in the performance or observance of any of its obligations under any of the Transaction Documents to which it is party which is in the Representative of the Noteholders' opinion materially prejudicial to the interests of the Noteholders and such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no term of thirty days will be given); or
- (ii) *Breach of representations and warranties by the Originator:* any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading when made, or deemed to be made, in any respect which is deemed material in the Representative of the Noteholders' opinion when made or repeated, and such breach has remained unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is in its opinion materially prejudicial to the interest of the Rated Noteholders; or
- (iii) *Breach of ratios:*

- (a) the Default Ratio for the immediately preceding Collection Period is higher than 1%; or
- (b) the Arrear Ratio for the immediately preceding Collection Period is higher than 4%; or
- (c) the Collateral Ratio is lower than 97% for the three immediately preceding Collection Periods; or
- (iv) *Principal Deficiency Amount*: on any Payment Date a debit balance remains outstanding on one or more Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Trigger Interest Priority of Payments; or
- (v) *Cash Reserve*: on any Payment Date, following the making of the payments and/or provisions required to be made by the Issuer on such date, the amount standing to the credit of the Cash Reserve Account is lower than the Target Cash Reserve Amount; or
- (vi) *Collections*: the Collections relating to the Claims are not transferred irrevocably and in cleared funds, pursuant to the terms and conditions of the Servicing Agreement, by the Servicer into the Collection Account; or
- (vii) *Servicer Report*: other than as a result of force majeure, notwithstanding the occurrence of which the Servicer has used its reasonable endeavours to deliver the Servicer Report in the circumstances, the Servicer fails to deliver a Servicer Report on the due date therefor in accordance with the Servicing Agreement and such failure continues for a period of seven Business Days; or
- (viii) *Subsequent Portfolios*: the Originator fails, during the Revolving Period, to offer for sale to the Issuer Subsequent Portfolios for three consecutive Offer Dates; or
- (ix) *Insolvency of the Originator*: an Insolvency Event occurs in respect of the Originator.

## 15.2 *Purchase Termination Notice*

Upon occurrence of a Purchase Termination Event during the Revolving Period, the Representative of the Noteholders shall serve a Purchase Termination Notice to the Issuer and the Originator. Upon the service of a Purchase Termination Notice, the Issuer may no longer purchase any Subsequent Portfolios and the Amortising Period will start.

## 16. **THE REPRESENTATIVE OF THE NOTEHOLDERS**

### 16.1 *The Organisation of the Noteholders*

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

### 16.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders, for so 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 who has been appointed at the time of the issue of the Notes by Santander Consumer Bank, in its capacity as Subscriber and initial holder of the Notes, subject to and in accordance with the Underwriting Agreement. Each Noteholder is deemed to accept such appointment.

## 17. **NOTICES**

### 17.1 *Notices through Monte Titoli and in Ireland*

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli, and, in relation to the Rated Notes and for so long as the Rated Notes are listed on the Irish Stock Exchange, if published in a leading daily newspaper having general circulation in the Republic of Ireland (which is expected to be the "*Financial Times*" or the "*Irish Times*") or on the website of the Irish Stock Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above.

### 17.2 *Alternative methods of notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Rated Notes are then listed and *provided that* notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Rated Notes are then listed.

## 18. **GOVERNING LAW AND JURISDICTION**

### 18.1 *Governing law of the Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by and will be construed in accordance with Italian law.

### 18.2 *Governing law of the Transaction Documents*

18.2.1 All the Transaction Documents, save for the Hedging Agreement and the English Deed of Charge and Assignment, and any non-contractual obligations arising out of or in connection with them are governed by and will be construed in accordance with Italian law.

18.2.2 The Hedging Agreement and the English Deed of Charge and Assignment and any non-contractual obligations arising out of or in connection with them are governed by and will be construed in accordance with English law.

### 18.3 *Jurisdiction*

The Courts of Turin are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes.



**EXHIBIT 1**  
**TO THE TERMS AND CONDITIONS OF THE NOTES**  
**RULES OF THE ORGANISATION OF THE NOTEHOLDERS**  
**TITLE I**  
**GENERAL PROVISIONS**

**1 General**

1.1 *Establishment*

The Organisation of the Noteholders is created concurrently with the issue by Golden Bar (Securitisation) S.r.l. of and subscription for € 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030 (the "**Class A Notes**" or the "**Senior Notes**"), € 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030 (the "**Class B Notes**" or the "**Mezzanine Notes**" and the Mezzanine Notes together with the Senior Notes, the "**Rated Notes**") and the € 75,100,000 Class C-2014-1 Asset-Backed Fixed Rate Notes due December 2030 (the "**Class C Notes**" or the "**Junior Notes**" and, together with the Rated Notes, the "**Notes**") and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

1.2 *Validity*

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 *Integral part of the Notes*

These Rules are deemed to be an integral part of each Note issued by the Issuer.

**2 Definitions and interpretations**

2.1 *Interpretation*

2.1.1 Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

2.1.2 Any reference herein to an "Article" shall be a reference to an article of these Rules.

2.1.3 Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

2.2 *Definitions*

In these Rules, the terms set out below shall have the following meanings:

**"Basic Terms Modification"** means any proposal to:

- (a) change the date of maturity of the Notes of any Class;
- (b) change any date fixed for the payment of principal or interest in respect of the Notes of any Class;
- (c) reduce or cancel the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (d) change the quorum required at any Meeting or the majority required to pass any Resolution;
- (e) change the currency in which payments are due in respect of any Class of Notes;
- (f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Rated Notes;
- (g) 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; or
- (h) a change to this definition.

**"Blocked Notes"** means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

**"Block Voting Instruction"** means in relation to a Meeting, the document issued by the Paying Agent stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;
- (b) that the Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and
- (c) authorising a Proxy to vote in accordance with such instructions.

**"Chairman"** means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 of these Rules.

**"Extraordinary Resolution"** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18.

**"Meeting"** means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

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

**"Ordinary Resolution"** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17.

**"Proxy"** means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

**"Resolution"** means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

**"Terms and Conditions"** means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto, and any reference to a numbered **"Condition"** is to the corresponding numbered provision thereof.

**"Voter"** means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

**"Voting Certificate"** means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder in accordance with Regulation 22 February 2008, as subsequently amended and supplemented, stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and
- (b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

**"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 Paying Agent has its specified office.

**"48 hours"** means 2 consecutive periods of 24 hours.

### **3 Purpose of the Organisation**

#### **3.1 Membership**

Each Noteholder is a member of the Organisation of the Noteholders.

#### **3.2 Purpose**

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 interests of the Noteholders.

## **TITLE II**

## MEETINGS OF NOTEHOLDERS

### **4 Voting Certificates and Validity of the Proxies and Voting Certificates**

#### *4.1 Participation in Meetings*

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

#### *4.2 Validity*

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

#### *4.3 Mutually exclusive*

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

#### *4.4 Blocking and release of Notes*

References 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 Convening the Meeting**

#### *5.1 Meetings convened by the Representative of the Noteholders*

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) the Issuer, or (b) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

#### *5.2 Request from the Issuer*

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect 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.

#### *5.3 Time and place of the Meeting*

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

### **6 Notice of Meeting and Documents Available for Inspections**

#### *6.1 Notice of meeting*

At least 21 days' notice (exclusive of the day on which 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 by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders.

#### *6.2 Content of the notice*

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

- (a) day, time and place of the Meeting, on first and second call;
- (b) agenda of the Meeting; and
- (c) nature of the Resolution.

6.3 *Validity notwithstanding lack of notice*

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

6.4 *Documentation Available for Inspection*

All of the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

**7 Chairman of the Meeting**

7.1 *Appointment of the Chairman*

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines 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.

7.2 *Duties of the 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.

7.3 *Assistance*

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.

**8 Quorum**

8.1 *Quorum and Passing of Resolution*

The quorum (*quorum constitutivo*) at any Meeting shall be:

- (a) in respect of a Meeting convened to vote on an Ordinary Resolution:
  - (i) on first call, one or more Voters holding or representing at least one tenth of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding

Notes for the Class in respect of which the Meeting is convened.

## 8.2 *Passing of a Resolution*

A Resolution shall be deemed validly passed if voted by the following majorities:

- (a) in respect of an Ordinary Resolution, a majority of the votes cast; and
- (b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

## 9 **Adjournment for lack of quorum**

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or
- (b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall 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 and time as the Chairman determines with the approval of the Representative of the Noteholders, *provided however that* no meeting may be adjourned more than once for want of quorum.

## 10 **Adjourned Meeting**

Except as provided in Article 9, 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.

## 11 **Notice following adjournment**

### 11.1 *Notice required*

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed meeting except that:

- (a) 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
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

### 11.2 *Notice not required*

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

## 12 **Participation**

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the director(s) and the auditors of the Issuer;
- (c) the Representative of the Noteholders;
- (d) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and
- (e) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

## 13 **Voting by show of hands**

### 13.1 *First instance vote*

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

### 13.2 *Demand of poll*

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

### 13.3 *Approval of a resolution*

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all of the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

## 14 **Voting by poll**

### 14.1 *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-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as 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.

### 14.2 *Conditions of a poll*

The Chairman sets the conditions for voting by poll, 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 conditions set 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.

## 15 **Votes**

### 15.1 *Votes*

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each € 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

### 15.2 *Exercise of multiple votes*

Unless the terms of any Block Voting Instruction or Voting Certificate borne by a Proxy state otherwise, a Voter shall not be obliged to exercise all of the votes to which such Voter is entitled or to cast all of the votes which he exercises in the same manner.

### 15.3 *Voting tie*

In case of a voting tie, the Chairman shall have the casting vote.

## 16 **Voting by Proxy**

### 16.1 *Validity*

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked *provided that* none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

### 16.2 *Adjournment of Meeting*

Unless revoked, the appointment of a Proxy in relation to a Meeting shall also remain valid in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article 9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

## 17 **Ordinary Resolutions**

Save as provided by Article 18 and subject to the provisions of Article 19, a Meeting shall have the power exercisable by Ordinary Resolution to:

- (a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;

- (b) determine any other matters submitted to the Meeting, other than matters required to be the subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and
- (c) 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 Extraordinary Resolutions**

The Meeting, subject to Article 19, shall have power exercisable by Extraordinary Resolution to:

- (a) approve any Basic Terms Modification;
- (b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;
- (d) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (e) discharge or exonerate (including prior or retrospective discharge or exoneration) 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 Terms and Conditions or any other Transaction Document;
- (f) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 13 (*Trigger Events*));
- (g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- (h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (i) appoint and remove the Representative of the Noteholders; and
- (j) authorise or object to individual actions or remedies of Noteholders under Article 23.

## **19 Relationship between Classes and conflict of interests**

### **19.1 *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 the other Class of Notes (to the extent that there are Notes outstanding in such other Class).

### **19.2 *Extraordinary Resolution other than in respect of a Basic Terms Modification or Ordinary Resolution***

No Extraordinary Resolution of any Class of Notes to approve any matter other than a Basic Terms Modification or a matter to be approved by an Ordinary Resolution shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Class of Notes ranking at that time senior to such Class with respect to the repayment of the principal pursuant to Condition 4.3 (*Priority*) and in accordance with the applicable Priority of Payments (to the extent that there are Notes outstanding ranking senior to such Class).

### **19.3 *Binding nature of the Resolutions***

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 dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

### **19.4 *Conflict between Classes***

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interest of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard only to the interests of the then Most Senior Class of Noteholders.

#### 19.5 *Resolution of the Junior Noteholders*

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Rated Notes and/or any other interest or rights of the holders of the Rated Notes may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of the Rated Notes.

#### 19.6 *Joint Meetings*

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the holders of the Rated Notes and of the Junior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

#### 19.7 *Separate and combined Meetings of the Noteholders*

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) 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;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the 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
- (c) business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any Resolution.

#### 19.8 *Notice of Resolution*

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 17 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Paying Agent and the Representative of the Noteholders.

### 20 **Challenge of Resolution**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

### 21 **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 shall be regarded as having been duly passed and transacted.

### 22 **Written Resolution**

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is 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 (the "**Written Resolution**").

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Ordinary Resolution.



## **23 Individual Actions and Remedies**

### **23.1 Individual actions of the Noteholders**

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 9 (*Non petition and limited recourse*). Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;
- (b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
- (d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

### **23.2 Individual actions subject to Resolution**

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

### **23.3 Breach of Condition 9 (Non petition and limited recourse)**

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9 (*Non petition and limited recourse*).

### **23.4 Exclusive power of the Representative of the Noteholders**

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

## **24 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**

## **25 Appointment, Removal and Remuneration**

### **25.1 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 25, except for the appointment of the first Representative of the Noteholders which will be BNP Paribas Securities Services, Milan Branch.

### **25.2 Requirements for the Representative of the Noteholders**

The Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

- (b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Banking Act; or
- (c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

### 25.3 *Directors and auditors of the Issuer*

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

### 25.4 *Duration of appointment*

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

### 25.5 *Removal*

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

### 25.6 *Office after termination*

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2, paragraphs (a), (b), and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment 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.

### 25.7 *Remuneration*

As consideration for its duties and services carried out in connection with the Securitisation, the Issuer will pay to the Representative of the Noteholders for its services as Representative of the Noteholders as from the date hereof an annual fee separately agreed and documented in a fee letter, payable quarterly in arrears on each Payment Date. In the event of the Representative of the Noteholders considering it expedient or necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, the Issuer will pay to the Representative of the Noteholders such additional remuneration as will be agreed between them. In any event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon such additional remuneration, then such matter will be determined by three investment banks (acting as experts and not as arbitrators), two of which selected by the Representative of the Noteholders and one of which selected by the Issuer (the expenses involved in such nomination and the fees of such investment banks being payable by the Issuer), and the joint determination (which may be taken by majority and does not need to be unanimous) of such investment banks will be final and binding upon the Representative of the Noteholders and the Issuer. The above fees and remuneration will be payable in accordance with the applicable Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Terms and Conditions.

## **26 Duties and Powers of the Representative of the Noteholders**

### 26.1 *Legal representative of the Organisation of the Noteholders*

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 pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

### 26.2 *Meetings and implementation of Resolutions*

Subject to Article 28.9, the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

### 26.3 *Delegation*

26.3.1 The Representative of the Noteholders may also, whenever it considers it expedient and in the

interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid.

26.3.2 The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interests of the Noteholders.

26.3.3 The Representative of the Noteholders shall not, other than in the normal course of its business, 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 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 (*culpa in eligendo*) and shall be responsible for the instructions given by it to such delegate.

26.3.4 As soon as reasonably practicable, the Representative of the Noteholders shall 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.

#### 26.4 *Judicial proceedings*

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

### **27 Resignation of the Representative of the Noteholders**

#### 27.1 *Resignation*

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

#### 27.2 *Effectiveness*

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment *provided that* if the 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 25.

### **28 Exoneration of the Representative of the Noteholders**

#### 28.1 *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.

#### 28.2 *Other limitations*

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

- (i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders 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 has occurred;
- (ii) 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 the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, 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 carefully observing and performing all of their respective obligations;
- (iii) except as otherwise required under these Rules or the Transaction Documents, 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;
- (iv) shall not be responsible for (or 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:

- (1) the nature, status, creditworthiness or solvency of the Issuer;
  - (2) 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 herewith;
  - (3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (4) 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 Aggregate Portfolio; and
  - (5) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agent or any other person in respect of the Aggregate Portfolio or the Notes;
- (v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- (vi) shall have no responsibility to procure that the Rating Agencies or any other credit or rating assessment institution or any other subject maintain the rating of the Rated Notes;
- (vii) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation 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 for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- (viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Aggregate 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;
- (ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- (x) shall not be under any obligation to guarantee or procure the repayment of the Aggregate Portfolio or any part thereof;
- (xi) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;
- (xii) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;
- (xiii) shall not be responsible for reviewing or investigating any report relating to the Aggregate Portfolio provided by any person;
- (xiv) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Aggregate Portfolio or any part thereof;
- (xv) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Aggregate Portfolio and the Notes; and
- (xvi) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders.

## 28.3 *Discretion*

### 28.3.1 The Representative of the Noteholders:

- (i) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);
- (ii) 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 to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;
- (iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (iv) may determine whether or not a default in the performance by the Issuer or the Originator of any obligation under the provisions of these 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 opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Originator, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents;

28.3.2 Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

## 28.4 *Certificates*

### The Representative of the Noteholders:

- (i) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;
- (ii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
- (iii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor or by a Rating Agencies. The Representative of the Noteholders shall not be required to seek additional evidence 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.

## 28.5 *Ownership of the Notes*

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued by any authorised institution listed in article 30 of Decree No. 213, which certificates are conclusive proof of the statements attested to therein.

28.5.2 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

28.6 *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 Regulation 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

28.7 *Certificates of 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.

28.8 *Rating Agencies*

The Representative of the Noteholders 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 interest of the Noteholders if, along with other factors, the Rating Agencies have confirmed that the then current rating of the Rated Notes would not be adversely affected by such exercise, or have otherwise given their consent. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend any actual or contingent liability for the Rating Agencies to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the rating of the Rated Notes, the Representative of the Noteholders shall so 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 wishes to seek and obtain the valuation itself.

28.9 *Illegality*

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its 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 opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

**29 Amendments to the Transaction Documents**

29.1 *Consent of the Representative of the Noteholders*

The Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

- (i) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or
- (ii) save as provided under paragraph (i) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of "Basic Terms Modification") is not materially prejudicial to the interest of the Most Senior Class of Noteholders.

29.2 *Binding nature of amendments*

Any such amendment or modification shall be binding on the Noteholders and the Other Issuer Creditors and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such amendment or modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter.

**30 Security Documents**

### 30.1 *Exercise of rights under the Security Documents*

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to Noteholders which have the benefit of the Italian Deed of Pledge and of the English Deed of Charge and Assignment. The beneficiaries of the Italian Deed of Pledge and of the English Deed of Charge and Assignment are referred to as the "**Secured Noteholders**".

### 30.2 *Rights of the Representative of the Noteholders*

The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the receivables and from the pledged receivables and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged receivables to effect the payments related to such receivables standing to the credit of the relevant Accounts or any other account opened in the name of the Issuer;
- (b) attest that the account(s) to which payments have been made in respect of the pledged receivables shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Noteholders, shall appoint the Issuer to manage the Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the pledged receivables and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders according to the applicable Priority of Payments set forth in the Terms and Conditions, and to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Secured Noteholders.

### 30.3 *Waiver of the Secured Noteholders*

The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Accounts which is not in accordance with the provisions of this Article 30.

### 30.4 *Limitation of rights*

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 receivables under the Italian Deed of Pledge except in accordance with the provisions of this Article 30 and the Intercreditor Agreement.

## **31 Indemnity**

### 31.1 *Indemnification*

Pursuant to the Underwriting Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject 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, authority and discretion and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the Notes or the Transaction Documents

### 31.2 *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 gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

#### TITLE IV

##### THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

### 32 Powers

It is hereby acknowledged that, 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 interest of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian Civil Code - to exercise certain rights in relation to the Aggregate Portfolio. 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

### 33 Governing law and Jurisdiction

#### 33.1 *Governing law*

These Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with the laws of the Republic of Italy.

#### 33.2 *Jurisdiction*

The Courts of Turin shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these Rules.



## SELECTED ASPECTS OF ITALIAN LAW

### The Securitisation Law

#### General

The Securitisation Law (i.e. Law No. 130) was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

The Securitisation Law applies to securitisation transactions involving the "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 (the "**SPV**") and all amounts paid by the debtors in respect of the receivables are to be used by the SPV exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

The Securitisation Law has been recently subject to various amendments aimed at strengthening the legal framework of the Italian securitisation transactions. Such amendments have been introduced by Law Decree No. 145 of 23 December 2013, the so-called "Destinazione Italia", which has been converted into law by Law 21 February 2014 No. 9 ("**Decree No. 145**").

The following paragraphs set out a summary of the key features of the Securitisation Law and the relevant amendments introduced by Decree No. 145 which are relevant to securitisations transactions.

#### Procedure for the assignment

The assignments of receivables under the Securitisation Law is governed by Article 58 paragraphs 2, 3 and 4 of the Banking Act. As a result, the securitised receivables must be identifiable as a pool (*in blocco*) and the relevant assignment in favour of the SPV can be perfected by way of publication a notice of assignment in the Official Gazette of the Republic of Italy in respect of the assigned receivables and the registration of the relevant assignment in the SPV's Companies Register (collectively, the "**Publication and Registration**"), thus avoiding the need for notification to be served on each debtor.

The Publication and Registration trigger also the following legal effects and protections in favour of the SPV and the relevant noteholders (i.e. the holders of the notes issued to fund the acquisition of such receivables): (a) the creation of the statutory segregation over the securitised receivables in favour of the noteholders; and (b) the transfer to the SPV of all the guarantees relating to such receivables. For further details see the following paragraphs entitled "*Enforceability of the assignment*", "*Statutory segregation*" and "*Guarantees*".

The transfer of the Initial Portfolio from the Originator to the Issuer was (i) registered on the Companies Register of Turin on 13 May 2014 and (ii) published in the Official Gazette No. 54 Part II of 8 May 2014.

#### Enforceability of the assignment

By operation of the Securitisation Law, with effect from the date of the Publication and Registration, the relevant assignment of receivables becomes enforceable against:

- (i) the debtors in respect of such receivables and any creditors of the assignor who have not commenced enforcement proceedings in respect of such receivables prior to the date of Publication and Registration;
- (ii) the liquidator or other bankruptcy official of the debtors in respect of such receivables; and
- (iii) any other permitted assignees of the assignor who have not perfected their assignment prior to the date of the Publication and Registration.

#### Statutory segregation

As stated in the preceding paragraph entitled "*Procedure for the assignment*", pursuant to the Securitisation Law, with effect from the date of the relevant Publication and Registration, the receivables relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the relevant SPV (including any other receivables purchased by the SPV pursuant to the Securitisation Law). Therefore, prior to and following a winding up of the SPV, such receivables will only be available to (i) satisfy the obligations of the SPV to the relevant noteholders and (ii) pay the relevant transaction's costs.

Moreover, with effect from the date of the relevant Publication and Registration, no legal action may be brought against the assigned receivables or the sums derived therefrom other than for the purposes of enforcing the rights of (i) the relevant noteholders and (ii) the SPV's creditors in respect of the relevant transaction's costs.

In addition, the receivables relating to a particular transaction may not be seized or attached in any form by creditors of the relevant SPV, other than the relevant noteholders.

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.

### **Guarantees**

By operation of the Securitisation Law, with effect from the date of the Publication and Registration, the benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the relevant assigned receivables will automatically be transferred to and perfected with the same priority in favour of the relevant assignee SPV, without the need for any further formality or annotation.

### **Claw-back**

Assignments executed under the Securitisation Law are still subject to claw-back action on bankruptcy pursuant to Article 67 of the Italian Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made (i) within three months of the securitisation transaction, in case paragraph 1 of Article 67 applies and (ii) within six months of the securitisation transaction, in case paragraph 2 of Article 67 applies (and not six months or 1 year, respectively, as the normal regime of Article 67 provides).

Moreover, following the Publication and Registration, the payments made to the SPV by any assigned debtors in respect of the relevant receivables (to which such Publication and Registration relate) may not be clawed-back pursuant to Article 67 of the Bankruptcy Law (by the receiver of any such debtor which becomes subject to any insolvency proceedings).

It is uncertain however, whether such limitations on claw-back would be applicable if the relevant insolvency procedure or claw-back action were not governed by the law of the Republic of Italy.

### **Decree No. 145**

#### *General*

The following paragraphs set out a summary of the key features of the amendments to the Securitisation Law introduced by Decree No. 145 which are relevant to securitisations transactions.

#### *SPV segregated accounts*

Decree No. 145 has introduced the possibility to open in the context of each securitisation transaction segregated current accounts in the name of the SPV to be held with the account bank or the servicer (the "**SPV Accounts**"), for the deposit of the collections of the receivables and any other amounts paid or belonging to the SPV under the securitisation (pursuant to the relevant transaction documents).

According to Decree No. 145, the sums standing to the credit of the SPV Accounts (i) constitute segregated assets from those of the relevant account bank and from those of its account holders; (ii) are capable of

being seized and attached only by the relevant noteholders; and (iii) can be used exclusively to satisfying the claims of such noteholders, hedging counterparty and to pay the relevant transaction's costs.

Moreover, Decree No. 145 provides that if the bank holding the SPV Account is subject to any insolvency proceedings or restructuring arrangements, then the sums standing to the credit of the SPV Account (i) are to be excluded from the assets of the relevant insolvent entity, (ii) are not subject to suspension of payments; and (iii) shall be repaid to the SPV, in accordance with the relevant contractual terms and without the need to await for the distributions and any other repayments by the relevant insolvency estate.

#### *Servicer segregated accounts*

Decree No. 145 has also introduced the possibility to open in the context of each securitisation transaction segregated current accounts in the name of the servicer (or any sub-servicer) (the "**Servicer Accounts**") to be held with any bank, for the deposit of the collections of the securitised receivables.

According to Decree No. 145, the sums standing to the credit of the Servicer Accounts are capable of being seized and attached by the creditors of the relevant servicer (or sub-servicer, as the case may be) only within the limits of the amounts exceeding the sums collected and due to the SPV.

Moreover, Decree No. 145 establishes that if the relevant servicer (or sub-servicer, as the case may be) is subject to any insolvency proceedings or restructuring arrangements, then the sums standing to the credit of the Servicer Account, in an amount equal to sums collected and due to the SPV (i.e. the collections of the securitised receivables) (i) are to be excluded from the assets of the relevant insolvent entity; and (ii) shall be repaid to the SPV, in accordance with the relevant contractual terms and without the need to await for the distributions and any other repayments by the relevant insolvency estate.

#### *Assignment pursuant to Factoring Law*

Decree No. 145 has simplified the assignments under the Securitisation Law of receivables falling within the scope of the Italian Factoring Law, these being the receivables arising out of contracts entered into by the relevant assignor in the course of its business.

More in particular, Decree No. 145 has provided that for the above-mentioned type of receivables the relevant assignment can be perfected also in accordance with the provisions of the Italian Factoring Law. As a result, the securitised receivables do not need to be identifiable as a pool (*in blocco*) and the relevant assignment in favour of the SPV can be perfected also by way of simple payment (in full or in part) of the purchase price of the receivables to the SPV with a date certain at law (which can be obtained through its simple registration in the relevant bank account of the originator). Such payment will trigger the same legal protections in favour of the noteholders achievable through the Publication and Registration (i.e. enforceability of the assignment, statutory segregation and transfer to the SPV of the receivables' guarantees).

In addition Decree No. 145 has established that if the transaction parties choose not to use the Italian Factoring Law as described above, then the relevant notice of assignment to be published in the Italian Official Gazette will need to set out only the details of the assignor, the assignee (i.e. the SPV) and the date of the relevant assignment.

#### *Limitation to the set-off rights of the assigned debtors*

Decree No. 145 has provided that, "in derogation from any other provision", with effect from the date of the publication of the notice of transfer of the relevant securitised receivables in the Official Gazette (or of the purchase price payment, as the case may be, as described in the preceding paragraph entitled "*Assignment pursuant to Factoring Law*"), the relevant assigned debtors are not entitled to exercise the set-off between such securitised receivables and their claims against the assignor arisen after such date of publication (or of the payment of the purchase price payment, as the case may be).

#### *Exemption of claw-back of prepayments*

As stated above (see the preceding paragraph entitled "*claw-back*"), the Securitisation Law provides that payments made by the assigned debtors benefit from an exemption from the claw-back provided for by article 67 of the Bankruptcy Law. However, nothing is said under the Securitisation Law in relation to the claw-back action pursuant to Article 65 of the Bankruptcy Law, being the claw-back in respect of any prepayments. This issue has now been addressed given that Decree No. 145 has established an express exemption also in respect of such claw-back action under Article 65 of the Bankruptcy Law.

#### *Simplified procedures for assignment of receivables owed by public entities*

Decree No. 145 has simplified the procedure for the assignments of receivables owed by public entities in the context of securitisations governed by the Securitisation Law.

In fact, the assignments of receivables owed by public entities are subject to certain special perfection formalities which, prior to Decree No. 145, applied also to securitisations governed by the Securitisation Law. Such formalities include the need to execute the relevant receivables' transfer agreement in notarised form and to have the assignment notified to the relevant public entity through a court bailiff (and, in some cases, be formally accepted by such public entity).

According to Decree No. 145, the assignments of receivables owed by public entities made under the Securitisation Law securitisations will now be subject only to the formalities contemplated by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be) and no other formalities, including those described above, shall apply.

Decree No. 145 also establishes that if the SPV appoints as Servicer of the receivables an entity other than the seller, then the relevant assigned public debtors shall be notified of such appointment through a notice on the Italian Official Gazette and a registered letter with return receipt.

#### *Securitisation of Bonds*

Decree No. 145 has clarified that, in addition to monetary receivables, also bonds, similar securities and financial drafts (*cambiali finanziarie*) are capable of being securitised under the Securitisation Law (with the exception of bonds representing company equity, exchangeable, hybrids and convertible bonds). Decree No. 145 has also established that the above-mentioned securities may be, not only purchased, but also directly subscribed, by the relevant SPV.

#### *Sole investor*

Decree No. 145 has clarified that where the notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor.

#### *Assignment of receivables arising from overdraft facilities*

Decree No. 145 has expressly regulated the assignability of receivables arising from overdraft facilities under securitisation transactions. In particular, according to Decree No. 145, the assignment of all the receivables arising from the agreements relating to such overdraft facilities, including all the relevant future receivables, may now be made enforceable simply through the formalities provided for by the Securitisation Law (i.e. the Publication and Registration (or of the purchase price payment, as the case may be).

#### *Asset management companies (SGR) allowed to act as servicers*

Decree No. 145 has clarified that in case of securitisations contemplating the assignment of receivables to investment funds, the relevant asset management companies will be entitled to act as servicer of the transaction.

### **Consumer credit provisions**

- (i) *Consumer credit provisions and enactment of Legislative Decree 141* – The Initial Portfolio includes, and each Subsequent Portfolio will include, Loans which qualify as "consumer loans", i.e. loans

extended to individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities. In Italy consumer loans are regulated by, amongst others: (i) articles 121 to 126 of the Banking Act and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of law decree 13 August 2010 number 141 (as subsequently amended "**Legislative Decree 141**")

- (ii) which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Legislative Decree 141 has become enforceable on 19 September 2010.
- (iii) *Legislative Decree 141 and existing credit consumer agreements* - Even if Legislative Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive 2008/48 and the implementing measures of Legislative Decree 141, it can be stated that the provisions set by Legislative Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.
- (iv) *Scope of application* - Prior to the entry into force of Legislative Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmio ("CICR")* (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Current article 122 of the Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.
- (v) *Right of withdrawal* - Pursuant to article 125-ter of the Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (a) either from the day of the conclusion of the credit agreement, or (b) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-bis of the Banking Act, if that day is later than the date referred to under point (a). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-duodecies of the Consumer Code will apply. Pursuant to article 125-quater of the Banking Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Legislative Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

### **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 distrainted property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors in lieu of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 90 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

- (a) money received upon the sale or assignment of the debtor's assets;

- (b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and
- (c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge 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.

### **Subrogation**

Legislative Decree 141 has introduced in the Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Bersani Decree, replicating though, with some additions, such repealed provisions. The purpose of article 120-*quater* of the 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 Banking Act provides that, in case the Subrogation is not perfected within 30 working days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% 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 Claims**

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 Claims will be contained in the Issuer's *nota integrativa*,



which, together with the balance sheet and the profit and loss statements form part of the financial statements of Italian companies.

## TAXATION

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are subject to change potentially retroactively. Prospective Noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

### Income Tax

Under current legislation, pursuant to the provision of Article 6, paragraph 1, of the Securitisation Law and to Decree No. 239, as amended and restated, in particular, by Decree No. 350, payments of interest and other proceeds in respect of the Notes:

- (a) will be subject to final *imposta sostitutiva* in Italy if made to beneficial owners who are: (i) individuals resident in Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 - the "**Asset Management Option**"); (ii) Italian resident partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations; (iii) Italian resident public and private entities, other than companies, including trusts, not carrying out commercial activities; (iv) Italian resident entities exempt from corporate income tax; and (v) non-Italian resident entities or persons without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from the *imposta sostitutiva* and/or do not timely comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from *imposta sostitutiva*. As to non-Italian resident beneficial owners, *imposta sostitutiva* may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable.

The mentioned *imposta sostitutiva* is currently levied at a rate of 20 per cent.. However, according to Decree No. 66, published on the Official Gazette n. 95 of 24 April 2014 and to be converted into Law within sixty days from such date, the *imposta sostitutiva* tax referred to above will apply at the higher rate of 26 per cent on payments of interest and other proceeds in respect of the Notes accrued starting from 1 July 2014. The Conversion Law may provide amendments to the regime provided by Decree No. 66.

The 20 per cent. (26 per cent. on any interest and other proceeds accrued after 1 July 2014 or, in certain cases, for treaty covered non-Italian resident beneficial owners, the lower rate provided for by the relevant applicable double tax treaty) final *imposta sostitutiva* will be applied by qualified financial intermediaries such as: (i) Italian resident banks; (ii) Italian resident Società d'Intermediazione Mobiliare ("**SIM**"), which are Italian financial intermediaries; (iii) Italian resident SGRs, as indicated in Italian Ministerial Decree dated 2 April 2001; (iv) Italian resident fiduciary companies; (v) Italian resident stockbrokers and (vi) permanent establishment in Italy of non-resident banks or non-resident financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Notes or in the transfer of the Notes. Interest is

therefore not to be included in the aggregate income of the investor subject to progressive tax rates, and the tax levied may not be credited against the investor's income tax liability. An exception to this rule is the "*imposta sostitutiva*" applied in the case of Notes held by an individual in connection with entrepreneurial activities: and in such a case the "*imposta sostitutiva*" applies as a provisional tax;

- (b) will not be subject to the *imposta sostitutiva* at the rate of 20 per cent. (26 per cent. on any interest and other proceeds accrued after 1 July 2014) if made to beneficial owners who are: (i) Italian resident corporations, commercial entities (including trusts carrying out commercial activities), or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, Italian resident pension funds referred to in Italian Legislative Decree No. 252 of 5 December 2005 and Italian resident real estate investment funds; (iii) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option; and (iv) according to Decree No. 350, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected, provided that:
- (i) pursuant to Article 6, paragraph 1, of Decree No. 239, as modified in particular by Article 41 of Law Decree No. 269 of 30 September 2003, converted with amendments into Italian Law No. 326 of 24 November 2003, non Italian resident beneficial owners are resident, for tax purposes in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, so called "**White List Country**" (according to Ministerial Decree of 12 December 2001, the present list of the countries allowing an adequate exchange of information is that contained in the Italian Ministerial Decree 4 September, 1996 – as recently amended and supplemented by Italian Ministerial Decree dated 27 July 2010 – which contemplates all the countries with which Italy has entered into a double taxation treaty providing for an exchange of information. According to Article 1, paragraph 87 of Law No. 244 of 24 December 2007 ("**Law No. 244**"), the aforementioned list will be amended by a specific Ministerial Decree which will be issued pursuant to Article 168-*bis* of the Presidential Decree No. 917 of 22 December 1986); and
- (ii) all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in a timely manner. To ensure payment of interest and other proceeds in respect of the Notes without the application of *imposta sostitutiva*, investors indicated above must:
- (1) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary, or permanent establishment in Italy of a foreign intermediary, which are directly connected with the Italian Ministry of Finance. For this purpose two categories of intermediaries are identified:
- (x) an Italian or non Italian resident bank or financial institution (there is no requirement for the bank to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank, and
- (y) an Italian resident bank or a SIM or a permanent establishment in Italy of a non-resident bank or SIM, acting as depository or sub-depository of the Notes appointed to maintain direct relationships, via electronic link, with the Italian Financial Administration (the "**Second Level Bank**"). Organisations and companies non-resident in the Republic of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they

appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in the Republic of Italy of a non-resident bank or SIM). In the event that the non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

- (2) file with the relevant depository in a timely manner a self-declaration (the "**Declaration**") stating their residence, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information and, *inter alia*, that the non-Italian resident entity is the beneficial owner of the proceeds. Such self-declaration, which must be in conformity with the model approved by the Italian Ministry of Economy and Finance (approved with Italian Decree of the Italian Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Italian Official Journal No. 301 of 29 December 2001), is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document with an equivalent purpose has previously been filed with the same depository. In the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company. Once the Declaration has been properly completed, the First Level Bank is obliged to send it to the Second Level Bank within 15 days from receipt. Second Level Banks are expected to file the data relating to the non-resident Noteholder together with data relating to the transactions carried out, via electronic link, to the Italian fiscal authorities within the first transmission period after receipt of such data. The Italian fiscal authorities monitor and control such data and any discrepancies. For Noteholders non-resident in the Republic of Italy, the Second Level Bank acts as an intermediary responsible for assessing the applicability of the *imposta sostitutiva* and, consequently, for levying and paying it to the Italian tax authority in accordance with the procedure described above. The Declaration has to be filed by the actual beneficial owner of the proceeds.

Non-resident holders are subject to the 20 per cent. (increasing to 26 per cent. on any interest and other proceeds accrued after 1 July 2014) *imposta sostitutiva* on interest and other proceeds on the Notes if any of the above conditions are not satisfied.

The exemption from *imposta sostitutiva* also applies to (i) international organisations created pursuant to International treaties that are effective in Italy, (ii) central banks or entities managing also the official reserves of the State, and (iii) non Italian resident "institutional investors" (i.e. entities the activity of which consists of making or managing investments on their own behalf or on behalf of other persons, as defined by *Circolare dell'Agenzia delle Entrate* dated 1 March 2002 No. 23/E), even if they are not treated as taxpayers in their country of residence, but provided that: (a) they are resident in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, (b) they declare that they have not been incorporated or established for the purpose of executing and/or managing investments made by a limited number of persons resident in Italy or in countries/territories which do not recognise the Italian fiscal authorities' right to an adequate exchange of information; or, alternatively, in case of foreign institutional investors that are trusts or partnerships, provided that (c) they declare that they were established for the sole purpose of managing investments on behalf of other institutional investors (1) subject to forms of surveillance or vigilance in the State where they are located and (2) resident in countries which allow an adequate administrative exchange of information with the Italian tax administration and whose managing company is also resident in such countries.

Where the beneficial owners of the Notes are one of the subjects indicated sub paragraph b) (i) (i.e. Italian resident corporations, commercial entities, including trusts carrying out commercial activities, or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected) interest and other proceeds accrued on the Notes are included in the corporate taxable income (*imposta sul reddito delle società*, "**IRES**") at 27.5 per cent. and in certain circumstances, depending on the status of the

Noteholders, also in the net value of production for purposes of regional tax on productive activities ("**IRAP**") at a rate of 3.9 per cent. (IRAP rate may be increased in certain Italian regions, also in accordance with the provisions of Italian Law Decree No. 93 of 27 May 2008, which has been converted into Law No. 126 of 24 July 2008, and may be different depending on the activity carried out by the taxpayer).

Italian resident collective investment funds and SICAVs are not subject to *imposta sostitutiva*, provided that all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended, are met or complied with in a timely manner. Interest on the Notes must be included in the calculation of the fund result accrued at the end of each year and upon payment of distributions by such Italian resident collective investment funds and SICAVs their managing company shall levy a withholding tax on the investors of the funds, in the amount, at the date of this Prospectus, of 20 per cent.

EU harmonised investment funds and non-harmonised EU funds are equally subject to a withholding tax which, at the date of this Prospectus, is levied on the investors at the rate of 20 per cent. (increasing to 26 per cent. after 1 July 2014 under Decree No. 66) on the proceeds arising from the participation to the above funds. Such tax treatment is applicable to non harmonised EU funds only upon certain conditions. The new rules, in fact, set out the application of a withholding tax in the non-harmonised EU funds, provided that 1) they are subject to supervision in the country of registration, where they are registered; 2) such country is either in the EU or in the European Economic Area, and 3) such country has an adequate exchange of information level with Italy. The mentioned withholding tax must be levied by the Italian resident intermediary collecting the proceeds.

Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005, are subject to an 11 per cent. annual substitutive tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes).

Beneficial owners of Notes who are Italian resident real estate investment funds ("**REIT**") established pursuant to Article 37 of the Financial Laws Consolidated Act and to Article 14-*bis* of Law No. 86 of 25 January 1994, from 26 September 2001 or, if established before 26 September 2001, provided that the managing company has opted for the application of the regime provided for by Decree No. 351, are not subject to *imposta sostitutiva*, provided that all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended, are met or complied with in a timely manner. Interest on the Notes received by an Italian REIT is included in the fund result which is: (i) not subject to taxation at the level of the fund and (ii) taxed on an accrual basis in the hands of its unit holders or subject to a 20% withholding tax (increasing to 26 per cent. after 1 July 2014 under Decree No. 66) upon distribution. The tax regime applicable to the REIT depends, inter alia, upon the nature of the investors in the fund.

## **Capital Gains**

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity and certain other persons upon sale

for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* levied at 20% on capital gains realized until 30 June 2014 and, according to Decree No. 66, at 26% on gains realized from 1 July 2014.

The capital gain/loss is represented by the positive/negative difference between the Notes' sale price (or the redemption value) and the purchase or subscription price (or value) gross of any inherent expenses (stamp duties, commissions, notary fees, etc.). Such difference is to be considered net of any interest (or issue margin) accrued but not yet paid, which is to be taxed according to the ordinary income tax criteria above explained. If a negative difference arises from a relevant transaction, such difference represents a capital loss which can be, in general terms, carried forward and set off with future gains of a similar nature.

Three different regimes may apply to the taxation of a resident investor, holding Notes otherwise than in connection with entrepreneurial activity, with reference to capital gains not pertaining to business activities:

- (1) under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Notes not in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given fiscal year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Under Decree No. 66 capital losses realized prior to 31 December 2011 may be carried forward against capital gains realized after 1 July 2014 only to the extent of 48.08 per cent. of their amount; whilst capital losses realized from 1 January 2012 to 30 June 2014 may be carried forward against capital gains realized after 1 July 2014 only to the extent of 76.92 per cent. of their amount;
- (2) as an alternative to the tax declaration regime, Italian resident individual noteholders holding the Notes not in connection with entrepreneurial activity may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, *Società di Intermediazione Mobiliare (SIM)* or certain authorised financial intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. Under the *Risparmio Amministrato* regime, the financial intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in capital loss, such loss may be deducted from capital gains subsequently realised within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under Decree No. 66 capital losses realized prior to 31 December 2011 may be carried forward against capital gains realized after 1 July 2014 only to the extent of 48.08 per cent. of their amount; whilst capital losses realized from 1 January 2012 to 30 June 2014 may be carried forward against capital gains realized after 1 July 2014 only to the extent of 76.92 per cent. of their amount. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax declaration and remains anonymous; and
- (3) in the event that the Notes form part of a portfolio of securities managed by qualified Italian professional intermediaries, any capital gains realised by Italian resident individuals holding Notes not in connection with entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end. Such income is subject to a 20 per cent. Asset Management Tax (increasing to 26 per cent. after 1 July 2014 under Decree No. 66) to be applied on behalf of the

taxpayer by the managing authorised intermediary. Under the Asset Management Option, any decrease in value 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. According to Decree No. 66 the decrease in value accrued prior to 31 December 2011 may be carried forward against increase in value of the investment portfolio accrued after 1 July 2014 only to the extent of 48.08 per cent of its amount, whilst the decrease in value accrued from 1 January 2012 to 30 June 2014 may be carried forward against increase in value of the investment portfolio accrued after 1 July 2014 only to the extent of 76.92 per cent of its amount. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

Any capital gains realised by Noteholders who are Italian resident collective investment funds are taxed on the investors who subscribe the quotas of the funds, once the fund result is distributed (or the fund is closed or the units are redeemed). EU harmonised investment funds and non-harmonised EU funds are equally subject to a withholding tax levied on the investors at the rate of 20 per cent (or 26% from 1 July 2014 under Decree No. 66) on the proceeds arising from the participation to the above funds. Such withholding is applicable both on the proceeds distributed during the life of the fund, and on the amount due in case of closure or redemption of the funds.

Any capital gains realised by Noteholders who are Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005, will be included in the computation of the taxable basis of Pension Fund Tax.

The 20 per cent. (26 per cent. for capital gains realized after 1 July 2014) final *imposta sostitutiva* on capital gains may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Italian Legislative Decree No. 259 of 21 July 1999, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad (including the Irish Stock Exchange) and in certain cases subject to timely filing of required documentation (in particular, a self-declaration not to be resident in Italy for tax purposes), even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not listed on a regulated market in Italy or abroad:

- (i) pursuant to the provisions of Italian Legislative Decree No. 461 of 21 November 1997, Decree No. 350 and decree No. 239, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information as currently listed in Ministerial Decree 4 September 1996, as amended and supplemented. According to Article 1, paragraph 87 of Law No. 244, the above mentioned list will be amended by a specific Italian Ministerial Decree which will be issued pursuant to Article 168-*bis* of the Italian Presidential Decree No. 917 of 22 December 1986.

In such case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply on condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating to meet the requirements indicated under (b) of the "*Income Tax*" para. above;

- (ii) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with

Italy, provided 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, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

### **Stamp duty**

Pursuant to Article 19, para. 1, of Law Decree No. 201 of 6 December 2011, as subsequently amended, and as clarified by Circulars 28/E of 2 July 2012 and 48/E of 21 December 2012 of the Italian Tax Authorities, a proportional stamp duty applies on an annual basis to the periodic reporting communications related to securities deposited therewith, such as – among other – the Notes sent by Italian financial intermediaries to their clients (defined as such by the Regulation issued on 9 February 2011 by the Bank of Italy, subsequently replaced by the Regulation issued on 20 June 2012 by the same Bank of Italy, which does not include banks and other financial intermediaries). The stamp duty currently applies at a rate of 0.20 per cent. and is determined on the basis of the market value or – if no market value figure is available – of the nominal value or redemption amount of the securities held. For non individual holders of securities the stamp duty cannot exceed € 14.000 with effect from fiscal year 2014.

### **Wealth tax on foreign financial activities**

Pursuant to Article 19, para. 18, of Decree No. 201 of 6 December 2011, as subsequently amended, and as clarified by Circular 28/E of 2 July 2012 of the Italian Tax Authorities, Italian resident individuals holding the Notes outside the Italian territory (i.e. without depositing them with an Italian resident financial intermediary) are required to pay a wealth tax at the current rate of 0.20 per cent. This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – of the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the above Italian tax).

### **Inheritance and Gift Tax**

Italian Law No. 286 of 24 November 2006 (published on the Official Gazette No. 277 of 28 November 2006), which has converted into law, with amendments, Article 2, paragraph 48 of Italian Law Decree No. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Notes) and rights by reason of death or gift. As regards the inheritance and gift tax to be paid at the transfer of the Notes by reason of death or gift, the following rates apply:

- 1) transfers in favour of spouses and direct descendants or direct relatives are subject to a registration tax of 4% on the value of the inheritance or the gift exceeding € 1,000,000.00 for each transferee;
- 2) transfers in favour of brothers and sisters are subject to a registration tax of 6% on the value of the inheritance or the gift exceeding € 100,000.00 for each transferee;
- 3) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to a registration tax of 6% on the entire value of the inheritance or the gift;
- 4) any other transfer is subject to a registration tax of 8% on the entire value of the inheritance or the gift;
- 5) transfers in favour of seriously disabled persons are subject to a registration tax at the relevant rate as described above on the value of the inheritance or the gift exceeding € 1,500,000.00 for each transferee.

Moreover, an anti-avoidance rule is provided by Italian Law No. 383 of 18 October 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the



imposta sostitutiva provided for by Italian Legislative Decree No. 461 of 21 November 1997. In particular, if the donee sells the Notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant imposta sostitutiva on capital gains as if the gift had never taken place.

### **Transfer tax**

According to Article 37 of Italian Legislative Decree No. 248 of 31 December 2007, as converted with amendments into Law No. 31 of 28 February 2008, the transfer of the Notes is not subject to the Italian transfer tax.

The transfer of the Notes could be subject, in some specific cases, to the Italian registration tax at the fixed rate of € 200.00.

### **European Withholding Tax Directive**

On 3 June 2003, the EU Council of Economic and Finance Ministers ("**ECOFIN**") adopted the EU Directive No. 2003/48/EC (the "**European Withholding Tax Directive**"), a directive regarding the taxation of savings income. The European Withholding Tax Directive was scheduled to be applied by Member States of the European Union (each, a "**Member State**" and together, the "**Member States**") from 1 July 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the European Withholding Tax 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 paid by a person within its jurisdiction to an individual resident in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements set out by the European Withholding Tax Directive. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. The Italian Government has implemented the European Withholding Tax Directive with the Legislative Decree No. 84 of 18 April 2005 (the "**Decree No. 84**"). Decree No. 84 will apply to payments of interest made by paying agents established in Italy to beneficial owners who are individuals resident in a different EU Member State as well as in other jurisdictions that have adopted similar legislation (Jersey, Guernsey, Isle of Man, Dutch Antilles, British Virgin Islands, Turks and Caicos, Cayman, Montserrat, Anguilla and Aruba). According to Article 1(1) of the Decree No. 84, the definition of paying agents includes, *inter alia*, banks, SGRs, fiduciary companies, financial intermediaries, and any economic operator that may be involved, commercially or professionally, in a payment of interest.

More specifically, according to Article 5 of the Decree No. 84, paying agents acting shall provide the Italian tax authorities with the following data: identity and residence of the beneficial owner; name and address of the paying agent; account number of the beneficial owner or, otherwise, information of the debt claim giving rise to the interest payment and amount of interest paid. Such information is then transmitted to the Italian tax authorities. Residence of the beneficial owner is ascertained on the basis of the address indicated in the passport (if any), in the official identity card or, if necessary, on the basis of any other evidence. The beneficial owner that having a EU passport or identity card is resident for income tax purposes in a third country, shall file a tax certificate issued by the State of residence. Any individual receiving an interest payment is presumed to be the beneficial owner with the burden to give evidence and prove the contrary in his hands.

Companies, similar entities subject to taxation on business profits, UCITs passported under the Directive No. 85/611/EEC and non passported UCITs that have elected to be treated like passported, are excluded from the application of Decree No. 84. Mistakes, omissions and any other contravention may be fined under

the Decree No. 84 with sanctions from € 2,065.00 to € 20,658.00. Either payments of interest on the Notes or the realisation of the capitalised interest through a sale of the Notes would constitute "payments of interest" under Article 6 of the European Withholding Tax Directive and, as far as Italy is concerned, Article 2 of the Decree 84. Accordingly, such payment of interest arising out of the Notes would fall within the scope of the European Withholding Tax Directive being the Notes issued after March 1st, 2001 (see Articles 15 of the European Withholding Tax Directive and Article 2(5) of the Decree 84).

The European Withholding Tax Directive provides that Austria or Luxembourg shall apply a withholding tax for a transitional period as defined therein, unless during such period they would elect otherwise. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The withholding tax shall be levied at the rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years and 35 per cent. thereafter. European Withholding Tax Directive provides for the exemption from the withholding tax to the extent that the beneficial owner provides the paying agent with minimum data requirements. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. The mechanism of application of such withholding tax would, however, be governed by the implementing legislation of the relevant country to which the investors of the Notes shall refer to.

## SUBSCRIPTION AND SALE

### Underwriting Agreement

Pursuant to the Underwriting Agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Sole Arranger and the Subscriber, the Issuer has agreed to issue the Notes and the Subscriber has agreed to subscribe for such Notes, subject to the terms and conditions set out thereunder, at the issue price of 100 per cent. of their principal amount on issue.

### Selling restrictions

#### *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 a U.S. person except in accordance with Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under 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 U.S. Internal Revenue Code of 1986 and the regulations thereunder.

The Subscriber has represented, warranted and agreed that it has not offered or sold the Notes and will not offer or sell any Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Subscriber has represented and agreed that neither it, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

#### *Republic of Italy*

The offering of the Notes has not been registered with Commissione Nazionale per le Società e la Borsa ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, the Subscriber has represented and agreed, pursuant to the Underwriting Agreement, that

- (a) it has not offered, sold or distributed, and will not offer, sell or distribute, any Notes or any copy of this Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of the Financial Laws Consolidated Act, unless an exemption applies
- (b) the Notes shall only be offered, sold or delivered and copies of this Prospectus or of any other offering material relating to the Notes may only be distributed in Italy:
  - (i) to "qualified investors" (investitori qualificati), pursuant to article 100 of the Financial Laws Consolidated Act and article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**"); or
  - (ii) in any other circumstances where an express exemption from compliance with the

restrictions on offers to the public applies, as provided under article 100 of the Financial Laws Consolidated Act and article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Banking Act and CONSOB Regulation 16190 of 29 October 2007, all as amended;
- (b) in compliance with article 129 of the Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and
- (c) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Notwithstanding the above, in no event may the Junior Notes be sold or offered for sale (on the Issue Date or at any time thereafter) to individuals (*persone fisiche*) residing in the Republic of Italy.

#### *United Kingdom*

The Subscriber has represented and agreed with the Issuer that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

#### *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Subscriber has represented and agreed 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 Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Sole Arranger for any such offer; or
- (c) in any other circumstances falling within article 3(2) of the Prospectus Directive,

*provided that* no such offer of Notes shall require the Issuer or the Subscriber to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes hereof, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to 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 amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

#### *General*

The Subscriber has represented, warranted and undertaken that no action has been taken by it that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, pursuant to the Underwriting Agreement to which each of them is a party, the Subscriber has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish this Prospectus or any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Without prejudice to the above, under the Underwriting Agreement, the Subscriber has agreed that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations.

## REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Please refer to paragraph entitled "Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes" of the section entitled "Risk Factors" for further information on the implications of the CRD IV and the CRR for certain investors in the Notes.

### The CRD IV and the CRR

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 Bank of Italy Instructions (*Disposizioni di Vigilanza per le Banche*) entered into force in 1 January 2014.

Under the Underwriting Agreement, the Originator has represented and undertaken vis-à-vis the Issuer, the Sole Arranger and the Representative of the Noteholders that it will: (i) retain a material net economic interest of at least 5 per cent. in the Securitisation in accordance with Article 51, Article 405 and the Bank of Italy Instructions so long as the Notes are outstanding and procure that the Notes retained in compliance with the above shall not be subject to any credit risk mitigation or any short protection or other hedge, as to the extent required by articles 405-410 (inclusive) of CRR; as at the Issue Date, such interest will be comprised of the Class C Notes, which constitute an interest in the first loss tranche as required by Article 51 and Article 405. Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Terms and Conditions; (ii) notify to the Issuer, the Sole Arranger, the Subscriber and the Representative of the Noteholders any change to the manner in which the net economic interest set out above is held; (iii) comply with the disclosure obligations imposed on sponsor and originator credit institutions under article 409 of the CRR and the Bank of Italy Instructions; and (iv) make available to each Noteholder, upon its reasonable request, all such necessary information in the Originator's possession to comply with the Noteholder's on-going monitoring obligations arising as a direct and immediate consequence of paragraph 2 of article 406 of the CRR.

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.

### Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the CRD IV and the CRR and none of the Issuer, nor the Sole Arranger or the Subscriber or any other parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition each prospective Noteholder should ensure that they comply with the implementing provisions in respect of the CRD IV and the CRR in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

## GENERAL INFORMATION

### Listing and admission to trading

Application has been made to list on the official list of the Irish Stock Exchange and to admit to trading the Rated Notes on the regulated market of the Irish Stock Exchange. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Commercial Register in Ireland, where they will be available for inspection and where copies thereof may be obtained upon request.

### Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes.

The Securitisation and the issue of the Notes have been authorised by the Issuer through the resolutions of the shareholders' meetings of the Issuer passed on 18 April 2014.

### Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be from the Collections and the Recoveries made in respect of the Aggregate Portfolio.

### Listing

This Prospectus has been approved by the Central Bank, as competent authority under Prospectus Directive. The Central Bank 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 Rated Notes to be admitted to the Official List and to trading on its regulated market. Approval by the Central Bank relates only to the Rated Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

### Clearing of the Notes

The Rated Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg. The ISINs and the Common Codes for the Rated Notes are as follows:

<b>Class</b>	<b>ISIN</b>	<b>Common Code</b>
Class A Notes	IT0005026163	107476440
Class B Notes	IT0005026189	107479635
Class C Notes	IT0005026197	

### No material litigation

Save as disclosed in this Prospectus, since 12 September 2000, being the date of incorporation of the Issuer, there has not been any litigation, arbitration, governmental or regulatory proceedings against or affecting the Issuer or any of its assets or revenues, nor is the Issuer aware, to the best of its knowledge, of any pending or threatened proceedings of such kind, which may have a significant effect on its financial position.

### No material adverse change



Save as disclosed in this Prospectus, since 12 September 2000, there has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), business, prospects or general affairs of the Issuer.

### **No borrowings or indebtedness**

Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.

### **Notes freely transferable**

The Notes shall be freely transferable.

### **Documents available for inspection**

For as long as the Rated Notes are listed on the Irish Stock Exchange, copies of the following documents may be inspected by physical means during normal business hours at the registered office of the Representative of the Noteholders:

- (i) Master Transfer Agreement;
- (ii) Servicing Agreement;
- (iii) Warranty and Indemnity Agreement;
- (iv) Intercreditor Agreement;
- (v) Cash Allocation, Management and Payment Agreement;
- (vi) Italian Deed of Pledge;
- (vii) Mandate Agreement;
- (viii) Shareholders Agreement;
- (ix) Corporate Services Agreement;
- (x) the Subordinated Loan Agreement;
- (xi) Monte Titoli Mandate Agreement;
- (xii) the Underwriting Agreement;
- (xiii) the Hedging Agreement;
- (xiv) the Master Definitions Agreement; and
- (xv) the By-laws of the Issuer.

The Prospectus will be published on the websites of, respectively, the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and the Central Bank ([www.centralbank.ie](http://www.centralbank.ie)).

### **Financial statements available**

The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year. The Issuer's accounting reference date is 31 December in each year. Other than the interim financial statements as of 30 June 2010 and as disclosed in this Prospectus, the Issuer will not produce interim financial statements. Copies of these documents are promptly deposited after their approval at the specified office of the Representative of the Noteholders, where such documents are

available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December) but will not produce interim financial statements.

The auditors of the Issuer are Deloitte & Touche S.p.A. with offices at Galleria San Federico, 54, 10121 Turin, Italy. They have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Italy for each of the nine financial years ended on 31 December 2000, 31 December 2001, 31 December 2002, 31 December 2003, 31 December 2004, 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012, respectively.

### **Post Issuance Information**

So long as any of the Rated Notes remains outstanding, the Issuer will provide the post issuance information described in this paragraph. Copies of the Payments Report, the Investors Report and the Post-Trigger Report shall be made available for collection at the registered office of the Representative of the Noteholders. The first Investors Report will be available at the registered office of the Representative of the Noteholders on or about the Investors Report Date immediately succeeding the First Payment Date. The Investors Report will be produced quarterly and will contain details of amounts paid 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 Rated Note.

### **Fees and expenses**

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately € 70,000 (excluding the Servicing Fee and any VAT, if applicable). The estimated aggregate fees and expenses payable in relation to the listing on the Irish Stock Exchange and the admission to trading on the regulated market of the Irish Stock Exchange of the Rated Notes amount to approximately € 3,500.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012, respectively, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Irish Stock Exchange. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Bonds or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the specified offices of, respectively, the Representative of the Noteholders and the Paying Agent being in both cases at BNP Paribas Securities Services, Milan Branch, Via Ansperto No. 5, 20123 Milan, Italy.

Copies of documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Irish Stock Exchange at <http://www.ise.ie/app/announcementDetails.aspx?ID=11273694> and [www.ise.ie/app/DeptSecurityDocuments.aspx?progID=-1&uID=3814&FIELD SORT=docId](http://www.ise.ie/app/DeptSecurityDocuments.aspx?progID=-1&uID=3814&FIELD SORT=docId).

The table below sets out the relevant page references for the financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012, respectively, together in each case with the audit report thereon. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Prospectus.

<b>Documents</b>	<b>Information contained</b>	<b>Page</b>
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<b>Documents</b>	<b>Information contained</b>	<b>Page</b>
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## GLOSSARY OF TERMS

**Abbey National Treasury Services** means Abbey National Treasury Services Plc, a company incorporated under the laws of England and Wales, with registered office at 2 Triton Square, Regent's Place, London, NW1 3AN, United Kingdom, with registered number 2338548.

**Acceptance Date** means, during the Revolving Period and in relation to the assignment of the Subsequent Portfolios, the fourth Business Day of each Collection Period.

**Account** means each of the Cash Accounts and the Securities Account, and **Accounts** means all of them.

**Account Bank** means BNP Paribas Securities Services, London Branch or any other person, being an Eligible Institution, acting as account bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Account Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Account Bank, (ii) setting out certain information in relation to the Collection Account, the Cash Reserve Account and the Expenses Account and (iii) to be delivered on or prior to each Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider and the Computation Agent.

**Account Report Date** means the second Business Day of each calendar month of each year, with the first Account Report Date falling on the second Business Day of July 2014.

**Accumulation Date** means, following the service of a Trigger Notice, the earlier of (i) each date on which the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments to be made in accordance with the Post-Trigger Priority of Payments shall be equal to at least 10% of the aggregate Principal Amount Outstanding of the Notes and (ii) each day falling 10 Business Days before the day that, but for the service of a Trigger Notice, would have been a Payment Date.

**Additional Screen Rate** shall have the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Aggregate Portfolio** means, on any given date, all the Claims comprised in the Initial Portfolio and in all the Subsequent Portfolios sold by the Originator to the Issuer up to any such date, pursuant to the Master Transfer Agreement.

**AIFM Regulation** means the Regulation (EU) No. 231/2013 adopted on 19 December 2012 by the European Commission, as amended and supplemented from time to time.

**Amortising Period** means the period (A) commencing after the end of the Revolving Period and (B) ending on the earlier of (i) the Cancellation Date and (ii) the date on which a Trigger Notice has been served on the Issuer.

**Arrear Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio which are Arrear Claims as at the last day of the relevant Collection Period and (ii) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio (but excluding, for the avoidance of doubt, any Defaulted Claims) as at the first day of such Collection Period, as determined by the Servicer in the Servicer Report.

**Arrear Claims** means the Claims which have not become Defaulted Claims yet and which arise from Loans (i) under which there are one or more consecutive or inconsecutive Unpaid Instalments, or (ii) under which, following the relevant final maturity date, there is at least one instalment which is an Unpaid Instalment and **Arrear Claim** means any of such Arrear Claims.

**Article 51** means article 51 of the AIFM Regulation.

**Article 405** means article 405 of the CRR.

**Back-Up Servicer** means the entity appointed as back-up servicer pursuant to the terms and conditions of the Servicing Agreement.

**Back-Up Servicer Facilitator** means Banco Santander or any other person acting as back-up servicer facilitator pursuant to the Intercreditor Agreement.

**Banco Santander** means Banco Santander S.A., a banking entity incorporated under the laws of Spain, registered with the Banco de España (Bank of Spain) under number 0049, having its registered offices at Paseo de Pereda 9-12, Santander, Spain and Tax Identification Code A-39000013.

**Bank of Italy Supervisory Regulations** means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

**Banking Act** means legislative decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**Basic Terms Modification** has the meaning given to it in the Rules of the Organisation of Noteholders.

**BNP Paribas Securities Services, London Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its London branch, with offices at 55 Moorgate, EC2R 6PA London, United Kingdom.

**BNP Paribas Securities Services, Luxembourg Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Luxembourg branch, having its registered office at 33, rue de Gasperich, Howald - Hesperange, L – 2085 Luxembourg, Grand Duchy of Luxembourg.

**BNP Paribas Securities Services, Milan Branch** means BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of € 165,279,835, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, having its registered office at Via Ansperto No. 5, 20123 Milan, Italy, registered with the Companies Register of Milan with No. 13449250151, fiscal code and VAT No. 13449250151, enrolled in register of banks held by the Bank of Italy at No. 5483.

**Borrowers** means the borrowers under the Loans, collectively, and **Borrower** means any of them.

**Business Day** means any day on which the Trans-European Automated Real Time Gross Transfer System (TARGET) (or any successor thereto) is open and on which banks are open for business in Dublin, Milan, London and Turin.

**Calculation Amount** means € 1,000 in Principal Amount Outstanding upon issue.

**Calculation Agent** means Abbey National Treasury Services or any other person acting as calculation agent under the Hedging Agreement from time to time.

**Calculation Date** means the third Business Day prior to each Payment Date.

**Call Option** means the option provided for by the Master Transfer Agreement, according to which the Originator may repurchase from the Issuer (in whole but not in part), at once, all the Claims comprised in the Aggregate Portfolio not already collected as of the date of exercise of such option.

**Cancellation Date** means the earlier of (i) the date on which the Notes have been redeemed in full, (ii) the Final Maturity Date and (iii) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that there are no more Issuer Available Funds to be distributed as a result of no additional amount or asset relating to the Aggregate Portfolio being available to the Issuer

at which date any amount outstanding, whether in respect of interest, principal and/or other amounts in respect of the Notes, shall be finally and definitively cancelled.

**Cash Account** means each of the Cash Reserve Account, the Collection Account, the Payments Account and the Expenses Account, and **Cash Accounts** means all of them.

**Cash Allocation, Management and Payment Agreement** means the cash allocation, management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Computation Agent, the Account Bank, the Originator, the Custodian Bank, the Servicer, the Paying Agent, the Corporate Services Provider and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Cash Reserve** means the funds standing from time to time to the credit of the Cash Reserve Account (and any Eligible Investments made with such funds) to be used to fund the payment on each Payment Date of the interests due in respect of the Rated Notes and certain other amounts due under the Pre-Trigger Interest Priority of Payments to the extent that on any such dates the other Interest Available Funds prove to be insufficient for such purpose.

**Cash Reserve Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution into which the Cash Reserve shall be credited, in accordance with the Subordinated Loan Agreement and the Cash Allocation, Management and Payment Agreement.

**Claims** has the meaning given to the term "*Crediti*" in the Master Transfer Agreement, which term identifies the debt claims arising from each Portfolio.

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

**Class A Noteholder** means any Holder of a Class A Note and **Class A Noteholders** means all of them.

**Class A Notes** means the € 646,800,000 Class A-2014-1 Asset-Backed Floating Rate Notes due December 2030.

**Class A Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Class A Notes where any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Class A Rate of Interest** has the meaning given to it in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Class B Noteholder** means the Holder of a Class B Note and **Class B Noteholders** means all of them.

**Class B Notes** means the € 30,100,000 Class B-2014-1 Asset-Backed Fixed Rate Notes due December 2030.

**Class B Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Class B Notes where any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Class B Rate of Interest** has the meaning given to it in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Class C Noteholder** means the Holder of a Class C Note and **Class B Noteholders** means all of them.

**Class C Notes** means the € 75,100,000 Class C-2014-1 Asset-Backed Notes due December 2030.

**Clearstream** means Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**Collateral Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Paying Agent or any other Eligible Institution to be used for the deposit of any collateral paid by the Hedging Counterparty pursuant to the CSA and the Hedging Agreement.

**Collateral Amounts** means the payments made to or deposits of securities made with the Issuer as collateral pursuant to the CSA and the Hedging Agreement, collectively, and **Collateral Amount** means any of them.

**Collateral Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio, calculated taking into account also the Claims comprised in the relevant Subsequent Portfolio to be purchased by the Issuer on the immediately following Subsequent Transfer Date and excluding, for the avoidance of doubt, any Defaulted Claims, and (ii) the Principal Amount Outstanding of the Notes.

**Collection Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank or any other Eligible Institution for the deposit of, *inter alia*, all the Collections and the Recoveries received and recovered by the Servicer in accordance with the Servicing Agreement.

**Collection Date** means 1 March, 1 June, 1 September and 1 December of each year.

**Collection Period** means (i) prior to the service of a Trigger Notice, each period commencing on (and including) a Collection Date and ending on (but excluding) the next succeeding Collection Date up to the redemption in full of the Notes, the first Collection Period commencing on (but excluding) the Initial Valuation Date and ending on (and including) 31 August 2014; and (ii) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date.

**Collection Policies** means the procedures for the management, collection and recovery of the Claims attached to the Servicing Agreement.

**Collections** means any monies from time to time paid, as of (but excluding) the relevant Valuation Date, in respect of the Loans and the related Claims.

**Common Criteria** means the objective criteria for the identification of the Claims comprised in each Subsequent Portfolio assigned to the Issuer under the Master Transfer Agreement, to be satisfied by such Claims as of the relevant Valuation Date or as of such other date provided in the relevant Offer to Sell.

**Computation Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as computation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Condition** means a condition of the Terms and Conditions.

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

**CONSOB Resolution No. 11768** means CONSOB Resolution No. 11768 of 23 December 1998, as amended by CONSOB Resolutions No. 12497 of 20 April 2000 and No. 13085 of 18 April 2001, as subsequently amended and supplemented from time to time.

**CONSOB Resolution No. 16191** means CONSOB Resolution No. 16191 of 29 October 2007, as

subsequently amended and supplemented from time to time.

**Corporate Services** means the services which the Corporate Services Provider will provide to the Issuer pursuant to the Corporate Services Agreement.

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

**Corporate Services Provider** means Bourlot Gilardi Romagnoli e Associati or any other person acting as corporate services provider pursuant to the Corporate Services Agreement from time to time.

**CRA Regulation** means Regulation (UE) No. 1060/2009 as amended and supplemented from time to time.

**CRD IV** means the Directive 2013/36/UE adopted on 27 June 2013 by the European Parliament and the European Council which, repealed the so-called "Capital Requirements Directives" (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC) (as amended, the "CRD"), relating to exposures to transferred credit risk in the context of securitisation transactions.

**CRR** means the Regulation (UE) No. 575/2013 adopted on 27 June 2013 by the European Parliament and the European Council which repealed the CRD relating to exposures to transferred credit risk in the context of securitisation transactions.

**CSA** means the ISDA 1995 Credit Support Annex (Bilateral Form – Transfer - English Law), as published by the International Swaps and Derivatives Association, Inc. (forming part of the Hedging Agreement), as amended by the Issuer and Hedging Counterparty through the execution of Paragraph 11 to such CSA.

**Custodian Bank** means BNP Paribas Securities Services, Milan Branch or any other person acting as custodian bank pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**DBRS** means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated 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 ESMA on the ESMA website.

**Debtors** means the Borrowers, the persons having granted any Guarantee to the Originator and the persons who are liable for the payment or repayment of any amounts due under the Loans and **Debtor** means any of them.

**Decree 239 Deduction** means any withholding or deduction for or on account of imposta sostitutiva under Decree No. 239. **Decree No. 213** means Italian Legislative Decree No. 213 of 24 June 1998, as amended and supplemented from time to time.

**Decree No. 7** means Italian Law Decree No. 7 of 31 January 2007, converted into law No. 40 of 2 April 2007, as amended and supplemented from time to time.

**Decree No. 93** means Italian Law Decree No. 93 of 27 May 2008, as amended and supplemented from time to time.

**Decree No. 145** means Law Decree of 23 December 2013 No. 145 converted into law by Law No. 9 of 21 February 2014, as amended and supplemented from time to time.

**Decree No. 239** means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.



**Decree No. 350** means Italian Law Decree No. 350 of 25 September 2001, converted into law with amendments by Law No. 409 of 23 November 2001, as amended and supplemented from time to time.

**Decree No. 351** means Italian Law Decree No. 351 of 25 September 2001, as amended and supplemented from time to time.

**Decree No. 435** means Italian Legislative Decree No. 435 of 21 November 1997, as amended and supplemented from time to time.

**Default Ratio** means, as at the last day of each Collection Period, the ratio expressed as a percentage between (i) the aggregate Outstanding Principal of all Claims comprised in the Aggregate Portfolio which have become Defaulted Claims during the relevant Collection Period (excluding, for the avoidance of doubt, any Claims which have become Defaulted Claims before such Collection Period) and (ii) the aggregate Outstanding Principal of all Claims comprised in the Aggregate Portfolio (but excluding, for the avoidance of doubt, any Defaulted Claims) as at the first day of such Collection Period, as determined by the Servicer in the Servicer Report.

**Defaulted Claims** means the Claims arising from Loans in respect of which (i) there are six or more consecutive or inconsecutive Unpaid Instalments, or (ii) following the relevant final maturity date, there is at least one instalment which is an Unpaid Instalment for six or more months, or (iii) the relevant Borrower has been subject to acceleration (*decadenza dal beneficio del termine*), or (iv) the relevant Loan Agreement has been terminated and **Defaulted Claim** means any of such Defaulted Claims.

**Defaulting Party** has the meaning ascribed to this term under the Hedging Agreement.

**Documents** means all documents relating to the Claims comprised in the Aggregate Portfolio.

**ECOFIN** means the EU Council of Economic and Finance Ministers.

**Eligibility Criteria** means the Initial Criteria or the Subsequent Criteria, as the case may be.

**Eligible Account** means an account opened with an Eligible Institution.

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

- (a) whose short-term unsecured and unsubordinated debt obligations are rated at least "P-2" by Moody's;
- (b) whose long-term unsecured and unsubordinated debt obligations are rated at least:
  - (I) "A3" by Moody's; and
  - (II) "BBB (high)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS); or
- (c) whose obligations under the Transaction Documents to which it is a party are guaranteed 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:
  - (I) whose short-term unsecured and unsubordinated debt obligations are rated at least "P-2" by Moody's;
  - (II) whose long-term unsecured and unsubordinated debt obligations are rated at least:
    - (A) "A3" by Moody's; and
    - (B) "BBB (high)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS).

**Eligible Investments** means:

- (a) euro-denominated money market funds which have a long-term rating of "Aaa-mf" by Moody's and, if rated by DBRS, "AAA" by DBRS and permit daily liquidation of investments or have a maturity date falling before the next following Liquidation Date *provided that* such money market funds are disposable without penalty or loss;
- (b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits or other debt instruments *provided that* (i) such investments are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling on or before the next following Liquidation Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments *provided that* (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling on or before the next following Liquidation Date (*provided that*, in respect of such investments, their maturity must be, in any case, shorter than 30 calendar days) and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

*provided further that* with exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least:

- (1) (A) either "Baa3" by Moody's in respect of long-term debt or "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or such other lower rating being compliant with the criteria established by Moody's from time to time; (B) either "Baa2" by Moody's in respect of long-term debt or "P-2" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other lower rating being compliant with the criteria established by Moody's from time to time; (C) "A3" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between three and six months, or such other lower rating being compliant with the criteria established by Moody's from time to time; or (D) "A2" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity longer than six months, or such other lower rating being compliant with the criteria established by Moody's from time to time; and
- (2) if such debt securities or other debt instruments are rated by DBRS (A) "R-2 (high)" by DBRS in respect of short-term debt or "BBB (high)" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than one month; (B) "R-1 (middle)" by DBRS in respect of short-term debt or "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months; (C) "R-1 (high)" by DBRS in respect of short-term debt or "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or (D) "R-1 (high)" by DBRS in respect of short-term debt and "AAA" by DBRS in respect of long-term debt, with regard to investments having a maturity longer than six months;

*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 any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**EMIR** means the Regulation (EU) No. 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended and supplemented from time to time.

**EMU** means the European Economic and Monetary Union introduced pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

**English Deed of Charge and Assignment** means the deed of charge and assignment entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders and governed by English law, 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.

**ESMA** means European Securities and Markets Authority.

**EURIBOR** shall have the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Euro, € and cents** refer to the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act 1986, the Treaty of the European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.

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

**European Union Insolvency Regulation** means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

**Euro-Zone** means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**Expenses** means any documented fees, costs, expenses and taxes required to be paid by the Issuer to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation, and any other documented fees, costs, expenses and taxes required to be paid by the Issuer in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**Expenses Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Account Bank for the deposit of the Retention Amount aimed at funding, during each Interest Period, all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, in accordance with the Cash Allocation, Management and Payment Agreement.

**Extraordinary Resolution** means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders to resolve on the objects set out therein.

**Final Maturity Date** means the Payment Date falling in December 2030.

**Financial Laws Consolidated Act** means the Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**First Payment Date** means 22 September 2014.

**Fitch** means Fitch Ratings Limited.

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

**Further Securitisation** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.2 (*Covenants – Further securitisations and corporate existence*).

**Guarantees** means the personal guarantees granted by or formed onto the Originator, in relation to the Loan Agreements or the Claims and **Guarantee** means any of them.

**Guarantor** means any person or entity who has granted a Guarantee.

**Golden Bar** means Golden Bar (Securitisation) S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated and organised under the laws of the Republic of Italy pursuant to the Securitisation Law, registered with the Companies Register of Turin under No. 13232920150, enrolled with the register of the *società veicolo* held by the Bank of Italy under No. 32474.9, having its registered office at Via Principe Amedeo No. 11, 10123 Turin, Italy.

**Hedging Agreement** means the hedging agreement entered into on or about the Issue Date between the Issuer and the Hedging Counterparty, 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, such agreement comprising an ISDA 1992 Master Agreement (Multicurrency - Cross Border), as published by the International Swaps and Derivatives Association, Inc., the relevant schedule, CSA and confirmation thereto.

**Hedging Transaction** means the hedging transaction entered into on or about the Issue Date between the Issuer and the Hedging Counterparty pursuant to the Hedging Agreement, as amended, restated, and/or novated from time to time.

**Hedging Counterparty** means Abbey National Treasury Services or any other person acting as hedging counterparty pursuant to the Hedging Agreement from time to time; *provided that* with respect to any DBRS rating, the term "Hedging Counterparty" shall include any successors, any guarantor or co-obligor in respect of all of the Hedging Counterparty's present and future obligations under the Hedging Agreement.

**Hedging Subordination Event** means, pursuant to the terms of the Hedging Agreement, an Event of Default with respect to the Hedging Counterparty or an Additional Termination Event which has occurred in connection with a Rating Event and the Hedging Counterparty is the Defaulting Party or the Sole Affected Party, as the case may be (such terms as defined in the Hedging Agreement).

**Holder** means the beneficial owner of a Note.

**Initial Criteria** means the objective criteria for the identification of the Claims comprised in the Initial Portfolio provided for by the Master Transfer Agreement, to be satisfied by such Claims as of the Initial Valuation Date or as of such other date set out in the Master Transfer Agreement.

**Individual Purchase Price** means the purchase price due to the Issuer by the Originator in respect of Claims relating to each Loan assigned pursuant to the Master Transfer Agreement, being equal to the relevant Outstanding Principal as of the relevant Valuation Date.

**Initial Execution Date** means 5 May 2014.

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

**Initial Portfolio** means the first portfolio of Claims assigned and transferred by the Originator to the Issuer on the Initial Execution Date, pursuant to the Master Transfer Agreement.

**Initial Portfolio Outstanding Amount** means the Portfolio Outstanding Amount of the Aggregate

Portfolio as of the Initial Valuation Date.

**Initial Valuation Date** means 17 April 2014.

**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, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business 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, such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (c) such company or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, 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 of any indebtedness given by it 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 (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under Article 2484 of the Italian Civil Code occurs with respect to such company or corporation.

**Insolvent** means that the Issuer is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or is insolvent.

**Instalment** means the scheduled monthly payment falling due from the relevant Borrower under a Loan and which consists of an Interest Component and a Principal Component.

**Insurance Policy** means any insurance policy relating or connected to a Loan Agreement and **Insurance Policies** means all of them.

**Intercreditor Agreement** means the 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 Amount** means:

- (a) in respect of the Class A Notes and the Class B Notes, the amount of interest accrued during the relevant Interest Period in respect of the relevant Class as determined in accordance with

Condition 7 (*Interest*); and/or

- (b) in respect of the Junior Notes the Junior Notes Interest Amount (if any) and/or the Junior Notes Additional Remuneration (if any) accrued on the Junior Notes during the relevant Interest Period, as the context requires.

**Interest Amount Arrears** means any portion of the relevant Interest Amount for the Notes of any Class which remains unpaid on any Payment Date.

**Interest Available Funds** means, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (a) the Interest Components received by the Issuer in respect of the Loans in the Claims comprised in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;
- (b) without duplication with (a) above, an amount equal to the Interest Components invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (c) the Cash Reserve, in the following amounts:
  - (I) prior to the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment applies, the sums of such Cash Reserve in an amount equal to the funds which are necessary in order to pay the interests due in respect of the Rated Notes and reduce to zero the Principal Deficiency Ledger of such Rated Notes on the next Payment Date (as well as any amount required to be paid under the Pre-Trigger Interest Priority of Payments in priority thereto or *pari passu* therewith), to the extent that the other Interest Available Funds prove to be insufficient for such purpose; and
  - (II) starting from the earlier of (1) the Payment Date on which the Rated Notes are fully redeemed and (2) the Payment Date on which the Post-Trigger Priority of Payment applies, all the sums of such Cash Reserve;
- (d) without duplication with (c) above, an amount equal to the sums invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date;
- (e) without duplication with (c) above, all amounts of interest accrued and paid on the Collection Account and the Cash Reserve Account during the Collection Period immediately preceding such Calculation Date;
- (f) without duplication with (e) above, payments made to the Issuer by any other party to the Transaction Documents during the Collection Period immediately preceding such Calculation Date, excluding those amounts constituting Principal Available Funds;
- (g) the Revenue Eligible Investments Amount realised on the preceding Liquidation Date, if any;
- (h) any Recoveries (including any purchase price received in relation to the sale of any Defaulted Claims) received by the Issuer in respect of any Defaulted Claim during the Collection Period immediately preceding such Calculation Date;
- (i) any amount due and payable, although not yet paid, to the Issuer by the Hedging Counterparty under the Hedging Agreement on the Payment Date immediately following the relevant

Calculation Date;

- (j) any other amount standing to the credit of the Collection Account as at the end of the Collection Period immediately preceding the relevant Calculation Date, but excluding those amounts constituting Principal Available Funds; and
- (k) any Principal Available Funds which have been allocated in or towards provision of the Interest Available Funds in accordance with the Pre-Trigger Principal Priority of Payments,

but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction, the amount deposited in the Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

**Interest Component** means the interest component of each Instalment (including commissions for direct debit payments (RID), collection commissions for postal payments and Prepayment Fees) and any other amount which is not a Principal Component.

**Interest Determination Date** means, with respect to the Initial Interest Period, the date falling two Business Days prior to the Issue Date and, with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

**Interest Payment Amount** has the meaning given to it in Condition 7.5 (*Interest - Determination of interest of the Class A Notes and the Class B Notes, Junior Notes Interest Amount and Junior Notes Additional Remuneration Interest*).

**Interest Period** means each period beginning on (and including) a Payment Date and ending on (but excluding) the next following Payment Date.

**Internal Rate of Return** means (i) in relation to the Claims comprised in the Initial Portfolio, the aggregate weighted average T.A.N. of the Instalments scheduled to be paid in relation to the Initial Claims after the Initial Execution Date together with any commission pertaining thereto; (ii) in relation to the Claims comprised in each Subsequent Portfolio to be sold to the Issuer on any Subsequent Transfer Date, the aggregate weighted average T.A.N. of the Instalments scheduled to be paid in relation to such Claims after such Subsequent Transfer Date, together with any commission pertaining thereto; and (iii) in relation to the Claims comprised in the Aggregate Portfolio, the aggregate weighted average T.A.N. of all outstanding Instalments of such Claims together with any commission pertaining thereto.

**Investment Accounts** means each of the Collection Account and the Cash Reserve Account.

**Investment Date** means

- (a) in respect of the Collection Account, the last Business Day of each week; and
- (b) in respect of the Cash Reserve Account, (a) prior to the first Payment Date, any Business Day before such Payment Date and (b) thereafter the first Business Day following each Payment Date; and/or

any other Business Day, as may be agreed between the Issuer and the Custodian Bank.

**Investors Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Computation Agent, (ii) setting out certain information in relation to the Notes, and (iii) to be distributed on or prior to each Investors Report Date.

**Investors Report Date** means the means the third Business Day prior to each Payment Date.

**IRAP** means the regional tax on productive activities at a rate of 3.9 per cent.

**IRES** means *imposta sul reddito delle società* applied on the corporate taxable income.

**Irish Stock Exchange** means Irish Stock Exchange Plc.

**IRS** means the market equivalent interest rate swap set at the date on which the Hedging Agreement has been executed.

**ISDA** means the International Swaps and Derivatives Association, Inc.

**Issue Date** means 11 June 2014.

**Issue Price** means 100 per cent.

**Issuer** means Golden Bar.

**Issuer Available Funds** means, in relation to each Payment Date, the aggregate of all:

- (a) Interest Available Funds; and
- (b) Principal Available Funds.

**Issuer's Rights** means the Issuer's right, title and interest in and to the Claims, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Originator, any Other Issuer Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with this Securitisation.

**Italian Bankruptcy Law** means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

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

**Italy** means the Republic of Italy.

**Junior Noteholder** means the Holder of a Junior Note and **Junior Noteholders** means all of them.

**Junior Notes** means the Class C Notes.

**Junior Notes Additional Remuneration** means, in relation to the Junior Notes, on each Payment Date:

- (a) prior to the service of a Trigger Notice, the Principal Available Funds calculated on the immediately preceding Calculation Date minus all payments to be made under items (i) to (ix) of the Pre-Trigger Principal Priority of Payments;
- (b) following the service of a Trigger Notice, zero.

**Junior Notes Interest Amount** means in respect of the Junior Notes:



- (a) in relation to each Payment Date prior to the service of a Trigger Notice, the Interest Available Funds calculated on the immediately preceding Calculation Date less the sum of amounts to be paid on such date under items (i) to (xx) of the Pre-Trigger Interest Priority of Payments;
- (b) in relation to each Payment Date after the service of a Trigger Notice, the Post-Trigger Issuer Available Funds minus all payments to be made under items (i) to (xvi) of the Post-Trigger Priority of Payments.

**Junior Notes Principal Deficiency Ledger** means the ledger established and maintained by the Computation Agent in respect of the Junior Notes pursuant to the Cash Allocation, Management and Payment Agreement any Realised Losses will be recorded, as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**Law No. 383** means Law No. 383 of 18 October 2001, as amended and supplemented from time to time.

**Liquidation Date** means the date falling one Business Day before each Calculation Date.

**Listing Agent** means BNP Paribas Securities Services, Luxembourg Branch.

**Loans** means, with respect to (i) the Initial Portfolio, all the Loans which are listed in the relevant annex of the Master Transfer Agreement and (ii) each Subsequent Portfolio, all the Loans which are listed in the annex of relevant Offer to Sell and **Loan** means any of them.

**Loan Agreements** means the loan agreements executed between Santander Consumer Bank and the Borrowers, pursuant to which the Loans are advanced and out of which the Claims arise and **Loan Agreement** means all any of them.

**Local Business Day** means a day (other than Saturday and Sunday) on which the banks to and/or from which the relevant payment is to be made are open for business.

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

**Margin** has the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Master Definitions Agreement** means the master definitions agreement entered into on or about the Issue Date between all 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.

**Master Transfer Agreement** means the Master Transfer Agreement entered into on the Initial Execution Date 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.

**Meeting** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**Monte Titoli** means Monte Titoli S.p.A., with registered office at Piazza degli Affari No.6, 20123 Milan, Italy.

**Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli including any depository banks appointed by

Euroclear and Clearstream.

**Monte Titoli Mandate Agreement** means the agreement entered into between the Issuer and Monte Titoli, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Moody's** means Moody's Investors Service, Inc.

**Most Senior Class of Noteholders** means the holders of the Most Senior Class of Notes.

**Most Senior Class of Notes** means, on any given date, without prejudice to any applicable Priority of Payments:

- (a) the Class A Notes (for so long as there are Class A Notes outstanding); or
- (b) if the Class A Notes are no longer outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or
- (c) if the Rated Notes are no longer outstanding, the Junior Notes.

**Net Hedging Replacement Premium** means any premium received (net of any costs reasonably incurred by the Issuer to find a replacement hedging counterparty) by the Issuer from a replacement hedging counterparty in consideration for entering into a replacement hedging agreement with the Issuer on the same terms as the Hedging Agreement.

**New Vehicles** means (A) vehicles (including cars, motorbikes, campers and commercial vehicles having a weight not exceeding 35 quintals) registered in Italy for no more than 12 months as at the date of execution of the relevant Loan Agreements; (B) boats registered with the R.I.D. (*Registro Imbarcazioni Diporto*) for no more than 12 months as at the date of execution of the relevant Loan Agreements; and (C) new nautical engines.

**Noteholders** means the Holders of the Rated Notes and the Junior Notes, collectively, and **Noteholder** means any of them.

**Notes** means the Rated Notes and the Junior Notes, collectively, and **Note** means any of them.

**Obligations** means all of the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

**Offer Date** means, during the Revolving Period and in relation to each Subsequent Portfolio, the third Business Day of each Collection Period.

**Offer to Sell** means each offer to sell a Subsequent Portfolio sent to the Issuer by the Originator in accordance with the Master Transfer Agreement.

**Official Gazette** means the *Gazzetta Ufficiale della Repubblica Italiana*.

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

**Originator** means Santander Consumer Bank.

**Originator's Claims** means, collectively, the monetary claims that the Originator may have from time to time against the Issuer under the Master Transfer Agreement (other than in respect of the Initial Portfolio Purchase Price and the Warranty and Indemnity Agreement, and including, without limitation, the Rateo Amounts, all amounts due and payable to the Originator for the repayment of any loan (*Finanziamento spese*) granted to the Issuer under the Master Transfer Agreement in connection with the settlement of any dispute (*Risoluzione delle controversie*) under the Warranty and Indemnity Agreement).

**Other Issuer Creditors** means, collectively, the Originator, the Servicer, the Representative of the Noteholders, the Computation Agent, the Corporate Services Provider, the Stichtingen Corporate Services Provider, the Subordinated Loan Provider, the Paying Agent, the Account Bank, the Custodian Bank, the Subscriber, the Sole Arranger, the Hedging Counterparty and any other creditor of the Issuer under the Transaction Documents that becomes party to the Intercreditor Agreement and **Other Issuer Creditor** means any of them.

**Outstanding Principal** means, on any given date: (A) with respect to any Loan and the relevant Claims, the sum of (i) the aggregate of all the Principal Components owing from the relevant Borrower and/or scheduled to be paid after such date and (ii) the aggregate of all the Principal Components which are past due and unpaid as of such date and (B) with respect to any Portfolio and the Aggregate Portfolio, the aggregate of the Outstanding Principal as of such date of all the Claims comprised in the relevant Portfolio and the Aggregate Portfolio, respectively.

**Paying Agent** means BNP Paribas Securities Services, Milan Branch or any other person acting as paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**Paying Agent Report** means the quarterly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Paying Agent, (ii) setting out, *inter alia*, the EURIBOR applicable for the relevant Interest Period in respect of the Class A Notes and the Interest Payment Amounts; and (iii) to be delivered not later than the first day of each relevant Interest Period to, *inter alios*, the Issuer, the Servicer, the Hedging Counterparty, the Representative of the Noteholders, the Account Bank, the Computation Agent, the Corporate Services Provider, the Irish Stock Exchange and Monte Titoli.

**Payment Date** means 20 March, 20 June, 20 September and 20 December of each year (or, if such day is not a Business Day, the immediately following Business Day).

**Payments Account** means the Euro denominated Eligible Account established in the name of the Issuer with the Paying Agent or any other Eligible Institution into which, *inter alia*, the amounts standing to the credit of the other Collection Account and the Cash Reserve Account shall be transferred so as to be applied to make the payments due by the Issuer on each Payment Date, in accordance with the applicable Priority of Payments and the Cash Allocation, Management and Payment Agreement.

**Payments Report** means the quarterly report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement before the service of a Trigger Notice, (ii) setting out, *inter alia*, the Issuer Available Funds and all the payments to be made on the following Payment Date under the applicable Pre-Trigger Priority of Payments; and (iii) to be delivered by each Calculation Date to, *inter alios*, the Issuer, the Originator, the Servicer, the Corporate Services Provider, the Representative of the Noteholders, the Custodian Bank, the Paying Agent, the Account Bank, the Hedging Counterparty, the Sole Arranger, DBRS and Moody's.

**Pension Fund Tax** means an annual substitutive tax of 11 per cent. on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes) applied to Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252 of 5 December 2005.

**Portfolio** means the Initial Portfolio or each of the Subsequent Portfolios, as the case may be, sold by the Originator to the Issuer pursuant to the Master Transfer Agreement.

**Portfolio Outstanding Amount** means, on any given date, the aggregate Outstanding Principal of all the Claims comprised in the Aggregate Portfolio.

**Post-Trigger Issuer Available Funds** means, in respect of any Calculation Date after the service of a Trigger Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the

Representative of the Noteholders in respect of the Claims, the Note Security and the Issuer's Rights under the Transaction Documents, but excluding (i) any amount paid by the Hedging Counterparty upon termination of the Hedging Transaction in respect of any termination payment and, until a replacement hedging counterparty has been found, exceeding the net amounts which would have been due and payable by the Hedging Counterparty with respect to the next Payment Date, had the Hedging Transaction not been terminated; (ii) prior to the occurrence of an Early Termination Date (as defined in the Hedging Agreement) for the Hedging Transaction, the amount deposited in the Collateral Account; and (iii) following the date on which the Hedging Transaction are terminated, (a) the amount deposited in the Collateral Account which exceeds the termination amount (if any) that would have otherwise been payable by the Hedging Counterparty to the Issuer had the collateral not been provided and (b) the amount of any collateral that has been applied towards entering into a replacement swap.

**Post-Trigger Priority of Payments** means the order of priority in which the Post-Trigger Issuer Available Funds shall be applied following the service of a Trigger Notice in accordance with Condition 6.3 (*Priority of Payments – Post-Trigger Priority of Payments*).

**Post Trigger Report** means the report (i) to be prepared by the Computation Agent in accordance with the Cash Allocation, Management and Payment Agreement after the service of a Trigger Notice; (ii) setting out the Issuer Available Funds and the payments and allocations to be made on the next Payment Date, in accordance with the Post-Trigger Priority of Payments; and (iii) to be delivered on or prior to each Calculation Date or upon request of the Representative of the Noteholders to, *inter alios*, the Issuer, the Servicer, the Corporate Services Provider, DBRS, Moody's, the Sole Arranger, the Paying Agent, the Account Bank, the Hedging Counterparty and the Representative of the Noteholders.

**Pre-Trigger Interest Priority of Payments** means the order of priority in which the Interest Available Funds shall be applied prior to the service of a Trigger Notice in accordance with Condition 6.1 (*Priority of Payments – Pre-Trigger Interest Priority of Payments*).

**Pre-Trigger Principal Priority of Payments** means the order of priority in which the Principal Available Funds shall be applied prior to the service of a Trigger Notice in accordance with Condition 6.2 (*Priority of Payments – Pre-Trigger Principal Priority of Payments*).

**Pre-Trigger Priority of Payments** means, collectively, the Pre-Trigger Interest Priority of Payments and the Pre-Trigger Principal Priority of Payments.

**Prepayment Fees** means the fee due to the Originator by any Borrower opting for a voluntary prepayment of the relevant Loan.

**Previous Programme 2009** means the securitisation transaction structured in the form of a programme perfected by the Issuer in accordance with the Securitisation Law in December 2009 and named "€ 2,500,000,000 Euro Medium Term Asset-Backed Notes Programme".

**Previous Securitisation 2011-1** means the securitisation transaction whereby the following notes were issued by the Issuer in March 2011: "€411,000,000 Class A – 2011-1 Asset-Backed Floating Rate Notes due 2025"; "€ 129,000,000 Class B – 2011-1 Asset-Backed Floating Rate Notes due 2025" and "€ 60,000,000 Class C – 2011-1 Asset-Backed Notes due 2025".

**Previous Securitisation 2011-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 12 October 2011: "€ 532,000,000 Class A – 2011-2 Asset-Backed Floating Rate Notes due 2023", "€ 95,000,000 Class B – 2011-2 Asset-Backed Floating Rate Notes due 2023" and "€ 323,000,000 Class C – 2011-2 Asset-Backed Notes due 2023".

**Previous Securitisation 2012-1** means the securitisation transaction whereby the following notes were issued by the Issuer on 23 July 2012: "€ 527,200,000 Class A – 2012-1 Asset-Backed Fixed Rate Notes due 2024"; "€ 56,500,000 Class B – 2012-1 Asset-Backed Fixed Rate Notes due 2024"

and "€ 169,400,000 Class C – 2012-1 Asset-Backed Notes due 2024".

**Previous Securitisation 2012-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 30 October 2012: "€955,360,000 Class A – 2012-2 Asset Backed Fixed Rate Notes due 2030"; "€72,559,000 Class B – 2012-2 Asset Backed Fixed Rate Notes due 2030" and "€181,398,000 Class C – 2012-2 Asset Backed Notes due 2030"

**Previous Securitisation 2013-1** means the securitisation transaction whereby the following notes were issued by the Issuer on 18 November 2013: "Up to Euro 1,000,000,000 Asset-Backed Variable Funding Notes due 2035"

**Previous Securitisation 2013-2** means the securitisation transaction whereby the following notes were issued by the Issuer on 18 November 2013: "Euro 254,820,000 Asset-Backed Notes due 2026"

**Previous Transactions** means the Previous Programme 2009, the Previous Securitisation 2011-1, the Previous Securitisation 2011-2, the Previous Securitisation 2012-1, the Previous Securitisation 2012-2, the Previous Securitisation 2013-1 and the Previous Securitisation 2013-2.

**Previous Transactions Documents** means collectively the documents, deeds and agreements defined as "Transaction Documents" in the prospectus related to the Previous Transactions.

**Principal Amount Outstanding** means, on any given date:

- (a) in relation to a Note, the nominal principal amount of such Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid up to that day; and
- (b) in relation to a Class, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding in such class; and
- (c) in relation to the Notes outstanding at any time, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding, regardless of Class.

**Principal Available Funds** means, in respect of any Calculation Date prior to the service of a Trigger Notice, the aggregate amount of:

- (a) the Principal Components received by the Issuer in respect of the Loans (other than Defaulted Claims) in the Aggregate Portfolio during the Collection Period immediately preceding such Calculation Date;
- (b) without duplication with paragraph (a) above, an amount equal to the Principal Components (other than those relating to Defaulted Claims) invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account, following liquidation thereof on the preceding Liquidation Date;
- (c) the Principal Deficiency Ledger Amount calculated in respect of such Calculation Date;
- (d) the amounts actually credited to and/or retained in, on the immediately preceding Payment Date, the Collection Account under items (i) and (iii) of the Pre-Trigger Principal Priority of Payments, if any;
- (e) payments made to the Issuer by the Originator pursuant to the Warranty and Indemnity Agreement and/or the Master Transfer Agreement during the Collection Period immediately preceding such Calculation Date in respect of indemnities or damages for breach of representations or warranties;

- (f) any purchase price received by the Issuer in relation to the sale of any Claims (other than Defaulted Claims) made in accordance with the Master Transfer Agreement and the Warranty and Indemnity Agreement during the Collection Period immediately preceding such Calculation Date;
- (g) on the Calculation Date immediately preceding the Cancellation Date, the balance standing to the credit of the Expenses Account at such dates; and
- (h) any Interest Available Funds which have been allocated in or towards provision of the Principal Available Funds in accordance with the Pre-Trigger Interest Priority of Payments.

**Principal Factor** means, at any time and in respect of a Class of Notes, the fraction expressed as a decimal to the sixth point of which the numerator is the aggregate Principal Amount Outstanding of the relevant Class of Notes at such time and the denominator is the aggregate Principal Amount Outstanding of the relevant Class of Notes upon issue.

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

**Principal Deficiency Ledger Amount** means, the aggregate amounts retained in and/or credited to the Collection Account on the immediately following Payment Date pursuant to items (vii), (ix) and (xi) of the Pre-Trigger Interest Priority of Payments out of the Interest Available Funds.

**Principal Deficiency Ledgers** means, collectively, the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger and the Junior Notes Principal Deficiency Ledger.

**Principal Payments** has the meaning given in Condition 8.5 (*Redemption, purchase and cancellation - Principal Payment on the Notes, Redemption Amounts and Principal Amount Outstanding*)

**Priority of Payments** means, collectively, the Pre-Trigger Priority of Payments and the Post-Trigger Priority of Payments.

**Privacy Law** means (i) Italian Law n. 675 of 31 December 1996, (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time, with reference to the period starting on the entry into force of such law and ending on the repealing of such law by the entry into force of Legislative Decree No. 196 of 30 June 2003, published in the Official Gazette No. 174 of 29 July 2003, Ordinary Supplement No. 123/L (hereinafter, the **Personal Data Protection Code**) and (ii) after such repeal of Italian Law n. 675 of 31 December 1996, the Personal Data Protection Code (together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*) as subsequently amended, modified or supplemented from time to time.

**Prospectus** means the prospectus prepared in connection with the issue of the Notes.

**Prospectus Directive** means Directive 2003/71/EC.

**Purchase Price** the purchase price due by the Issuer to the Originator in respect of each Portfolio assigned and transferred pursuant to the Master Transfer Agreement, being equal to the sum of the Individual Purchase Price of all the Claims comprised in the relevant Portfolio.

**Purchase Termination Event** means any of the events referred to in Condition 15 (*Purchase Termination Events*).

**Purchase Termination Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Purchase Termination Event, in accordance with Condition 15 (*Purchase Termination Events*).

**Quota Capital Account** means the Euro denominated account opened by the Issuer with Santander Consumer Bank for the deposit of the Issuer's quota capital equal to € 10,000.

**Quotaholders** means the quotaholders of the Issuer, being Stichting Po River and Stichting Turin, and **Quotaholder** means any of them.

**Shareholders Agreement** means the quotaholders agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders, the Originator and the Quotaholders, 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.

**Rated Noteholder** means the Holder of a Rated Note and **Rated Noteholders** means all of them.

**Rated Notes** means the Class A Notes and the Class B Notes, collectively.

**Rateo Amounts** means (i) in relation to the Initial Portfolio, interest accrued on the relevant Loans up to the Initial Valuation Date, but not yet due, for an overall amount equal to € 1,243,452.57; and (ii) in relation to each Subsequent Portfolio, interest accrued on the relevant Loans up to the relevant Valuation Date, but not yet due, the overall amount of which will be provided in the relevant Offer to Sell.

**Rating Agencies** means DBRS and Moody's, collectively, and **Rating Agency** means any of them.

**Realised Loss** means, as at the end of each Collection Period, in respect of a Claim which has become a Defaulted Claim during such Collection Period, the Outstanding Principal of such Defaulted Claim.

**Recoveries** means all amounts recovered in respect of the Defaulted Claims, including penalties and insurance proceeds.

**Reference Banks** means three (3) major banks in the Euro-Zone inter-bank market selected by the Paying Agent with the approval of the Representative of the Noteholders.

**Regulation 22 February 2008** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 22 February 2008, as amended and supplemented from time to time.

**Representative of the Noteholders** means BNP Paribas Securities Services, Milan Branch or any other person acting as representative of the Noteholders.

**Retention Amount** means an amount equal to € 30,000.

**Revenue Eligible Investments Amount** means, as at each Liquidation Date, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment

**Revolving Period** means the period commencing on the Issue Date and ending on the earlier of:

- (i) the Payment Date falling in June 2016 (excluded); and
- (ii) the date on which the Representative of the Noteholders serves a Purchase Termination Notice or a Trigger Notice on the Issuer.

**Rules of the Organisation of the Noteholders** means the Rules of the Organisation of Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Santander Consumer Bank** means Santander Consumer Bank S.p.A., a bank incorporated as joint stock company (*società per azioni*) organised under the laws of the Republic of Italy, registered with the Companies Register of Turin under No. 05634190010 and registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 5496, parent company of the "*Gruppo Bancario Santander Consumer Bank*", registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under No. 3191.4, having its registered office at Via Nizza No. 262, 10126 Turin, Italy.

**Scheduled Instalment Date** means any date on which an Instalment is due.

**Screen Rate** has the meaning ascribed to this term in Condition 7.3 (*Interest - Rate of Interest of the Class A Notes and the Class B Notes*).

**Secured Amounts** means all the amounts due, owing or payable by the Issuer, whether present or future, actual or contingent, to the Noteholders under the Notes and the Other Issuer Creditors pursuant to the relevant Transaction Documents.

**Secured Creditors** means the Noteholders and the Other Issuer Creditors.

**Secured Obligations** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**Securities Account** means the securities Eligible Account established in the name of the Issuer with the Custodian Bank or any other Eligible Institution into which the bonds, debentures or other kinds of notes or financial instruments purchased with monies standing to the credit of the Investment Accounts shall be deposited, in accordance with the Cash Allocation, Management and Payment Agreement.

**Securities Account Report** means the monthly report (i) to be prepared in accordance with the Cash Allocation, Management and Payment Agreement by the Custodian Bank, (ii) setting out certain information in relation to the Securities Account and (iii) to be delivered on or prior to each Securities Account Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Services Provider and the Computation Agent.

**Securities Account Report Date** means the second Business Day of each calendar month in each year, with the first Account Report Date falling on the second Business Day of July 2014.

**Securities Act** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**Securitisation** means the securitisation of the Claims made by the Issuer through the issuance of the Notes.

**Securitisation Law** means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**Security** means, the security interests created under the Security Documents and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**Security Documents** means the Italian Deed of Pledge and the English Deed of Charge and Assignment.

**Security Interest** means any mortgage, charge pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.



**S&P** means Standard & Poor's Credit Market Services Europe Limited.

**Servicer** means Santander Consumer Bank or any other person acting as servicer pursuant to the Servicing Agreement from time to time.

**Servicer Report Date** means the date which is seven Business Days after the last day of each Collection Period.

**Servicer Termination Event** means any termination event of the Servicer as provided for by the Servicing Agreement.

**Servicer's Advance** means all amounts due and payable to the Servicer for the repayment of any loan extended to the Issuer under the Servicing Agreement.

**Servicer Report** means the quarterly report (i) to be prepared by the Servicer in accordance with the Servicing Agreement, (ii) setting out information as to, *inter alia*, the Aggregate Portfolio and the Collections in respect of the preceding Collection Period and (iii) to be delivered by each Servicer Report Date to, *inter alios*, the Issuer, the Computation Agent, the Representative of the Noteholders, DBRS and Moody's and the Account Bank.

**Servicer Report Delivery Failure Event** means the event which will have occurred upon the Servicer's failure to deliver the Servicer Report within three Business Days from the relevant Servicer Report Date *provided that* such event will cease to be outstanding when the Servicer delivers the Servicer Report.

**Servicer's Owner** means the entity owning the entire share capital of Santander Consumer Bank, such entity being, as at the Initial Execution Date, Santander Consumer Finance, S.A.

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

**Servicing Fee** means the fee payable by the Issuer to the Servicer, in accordance with the terms of the Servicing Agreement.

**Sole Affected Party** has the meaning ascribed to this term in the Hedging Agreement.

**Sole Arranger** means Banco Santander.

**Southern Italy** means the territories of the Italian regions of Campania, Basilicata, Puglia, Calabria, Sicily and Sardinia.

**Stichting Po River** means Stichting Po River, a Dutch foundation established under the laws of The Netherlands, having its registered office at Barbara Strozilaan 101, 1083 HN Amsterdam, The Netherlands.

**Stichting Turin** means Stichting Turin, a Dutch foundation established under the laws of The Netherlands having its registered office at Barbara Strozilaan 101, 1083 HN Amsterdam, The Netherlands.

**Stichtingen** means Stichting Po River and Stichting Turin, collectively, and **Quotaholder** means any of them.

**Stichtingen Corporate Services Provider** means Wilmington Trust or any other person acting as stichtingen corporate services provider pursuant to the Stichtingen Corporate Services Agreement from time to time.

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

**Subordinated Loan** means the limited recourse loan granted to the Issuer by the Subordinated Loan Provider in an amount of € 18,830,000 pursuant to the Subordinated Loan Agreement.

**Subordinated Loan Agreement** means the subordinated loan agreement entered into on or about the Issue Date between the Issuer and the Subordinated Loan Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**Subordinated Loan Provider** means Santander Consumer Bank, in its capacity as subordinated loan provider pursuant to the Subordinated Loan Agreement and any of its permitted successors and assignees.

**Subsequent Criteria** means the objective criteria for the identification of the Claims comprised in the Subsequent Portfolios provided for by the Master Transfer Agreement, being the Common Criteria, and/or the Specific Criteria and, to be satisfied by such Claims as of the relevant Subsequent Valuation Date or as of such other date set out in the relevant Offer to Sell.

**Subsequent Portfolio** means each portfolio of Claims sold by the Originator to the Issuer after the sale of the Initial Portfolio, pursuant to the Master Transfer Agreement and **Subsequent Portfolios** means all of them.

**Subsequent Transfer Date** means, during the Revolving Period and in relation to each Subsequent Portfolio, the Payment Date, immediately succeeding the Acceptance Date relating to such Subsequent Portfolio.

**Supervisory Regulations for the Banks** means (i) the "*Istruzioni di Vigilanza per le banche*" issued by the Bank of Italy by Circular No. 229 of 21 April 1999, as amended and supplemented from time to time; and (ii) the "*Nuove disposizioni di vigilanza prudenziale per le banche*" issued by the Bank of Italy by Circular No. 263 of 27 December 2006, as amended and supplemented from time to time.

**Supervisory Regulations for Financial Intermediaries** means the "*Istruzioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy by Circular No. 216 of 5 August 1996, as amended and supplemented from time to time.

**Surveillance Report** means the report prepared by DBRS and Moody's related to the Rated Notes required by the European Central Bank and/or the documentation of the European Central Bank on monetary policy instruments and procedures of the Eurosystem.

**T.A.N.** means, in respect of each Loan, the annual nominal rate of return (*tasso nominale annuo*).

**Target Cash Reserve Amount** means in respect of each Payment Date, the lower of:

- (a) € 18,800,000; and
- (b) the greater of:
  - (i) € 3,760,000; and
  - (ii) 5% of the aggregate Principal Amount Outstanding of the Notes as at such Payment Date (following payments under the Notes to be made on such Payment Date),

*provided that:*

- (A) notwithstanding the formula above, the Target Cash Reserve Amount may not be reduced below

the level applicable as at the immediately preceding Payment Date, unless the following cumulative conditions are met in respect of a given Payment Date:

- (i) on the Payment Date on which the reduction will become effective, the Cash Reserve equals or exceeds the Target Cash Reserve Amount as at the relevant Payment Date (upon making all the payments and provisions to be made on such Payment Date);
  - (ii) the Principal Deficiency Ledgers are either zero or have been reduced to zero;
  - (iii) the Arrear Ratio for the immediately preceding Collection Period is equal to, or lower than, 4%;
  - (iv) at least 6 months have elapsed since the Issue Date; and
  - (v) the Revolving Period is already terminated; and
- (B) on the Calculation Date immediately following the Payment Date on which all the Rated Notes will be redeemed in full, the Target Cash Reserve Amount will be reduced to zero.

**Terms and Conditions** means the terms and conditions of the Notes.

**Transaction Documents** means the Master Transfer Agreement, the Underwriting Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Subordinated Loan Agreement, the Corporate Services Agreement, the Stichtingen Corporate Services Agreement, the Cash Allocation, Management and Payment Agreement, the Monte Titoli Mandate Agreement, the Intercreditor Agreement, the Hedging Agreement, the Italian Deed of Pledge, the English Deed of Charge and Assignment, the Mandate Agreement, the Master Definitions Agreement, the Terms and Conditions and the Prospectus.

**Trigger Event** means any of the events described in Condition 13 (*Trigger Events*).

**Trigger Notice** means the notice served by the Representative of the Noteholders upon the occurrence of a Trigger Event, in accordance with Condition 13 (*Trigger Events*).

**Unpaid Instalment** means, in respect of any given date and the Loans, an Instalment which, as at such date, is past due but not fully paid, and remains such for at least one calendar month following the date on which it should have been paid, under the terms of the relevant Loan.

**Used Vehicles** means (A) vehicles (including cars, motorbikes, campers and commercial vehicles having a weight not exceeding 35 quintals) registered in Italy for more than 12 months as at the date of execution of the relevant Loan Agreements; (B) boats registered with the R.I.D. (*Registro Imbarcazioni Diporto*) for more than 12 months as at the date of execution of the relevant Loan Agreements; and (C) used nautical engines.

**Usury Law** means, collectively, Italian Law No. 108 of 7 March 1996, as amended and supplemented from time to time, and Italian Law No. 24 of 28 February 2001, which converted into law the Law Decree No. 394 of 29 December 2000.

**Valuation Date** means, in respect of the Initial Portfolio the Initial Valuation Date and in respect of each Subsequent Portfolio, such date as will be indicated in the relevant Offer to Sell.

**Vehicles** means New Vehicles or Used Vehicles, or vehicles of both categories, as the context requires.

**Warranty and Indemnity Agreement** means the warranty and indemnity agreement entered into on the Initial Execution Date between the Originator and the Issuer 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.

**Wilmington Trust** means Wilmington Trust SP Services (London) limited, a private limited liability company incorporated under the laws of England, having its registered office at Third Floor, 1 King's Arms Yard London EC2R 7AF, United Kingdom.

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*To the Originator*

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